

OFFICIAL STATEMENT

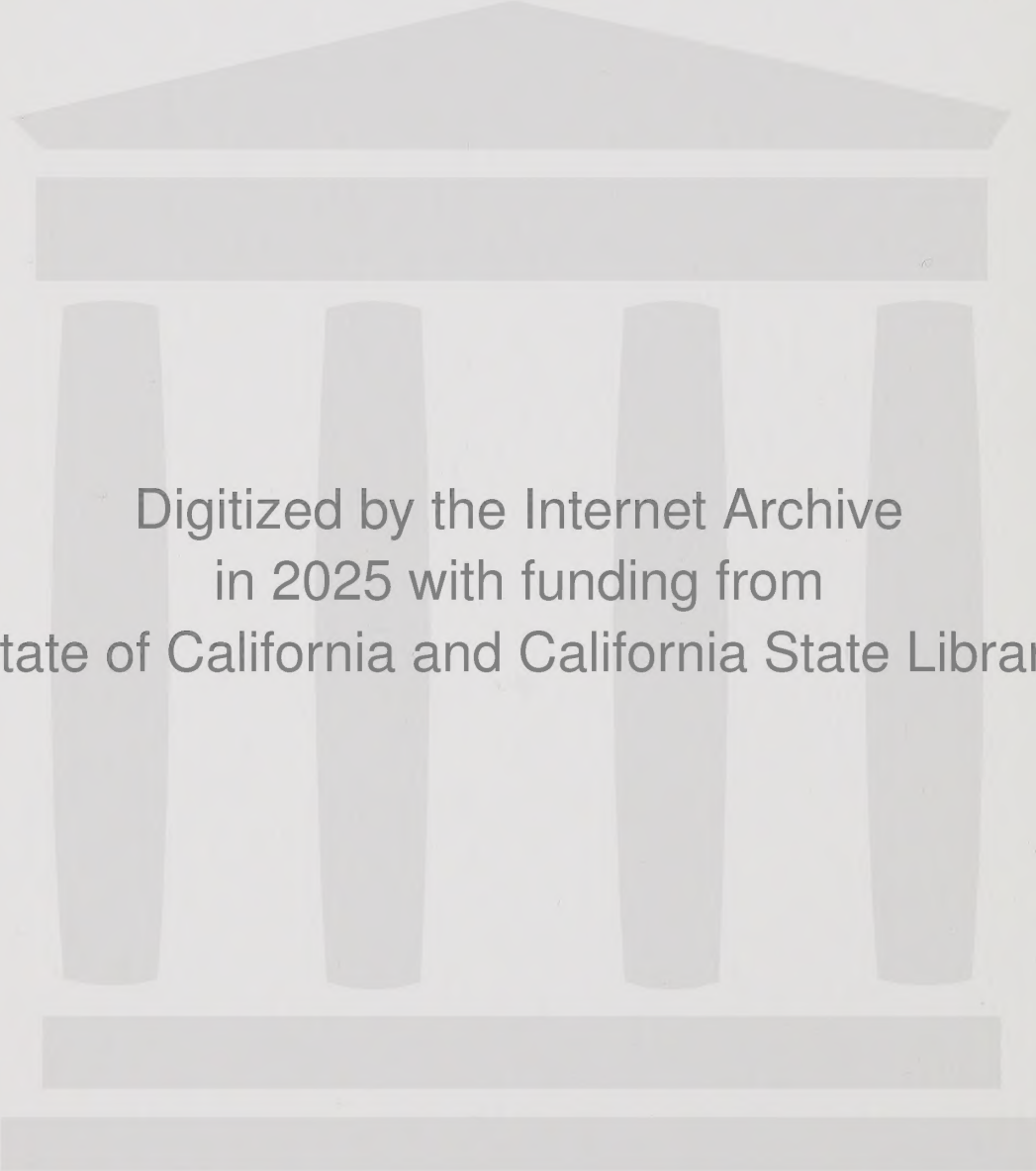
SANTA CLARA VALLEY WATER DISTRICT

Santa Clara Valley Water District
San Jose, California
Water Revenue Bonds Series A
June 20, 1978

\$2,000,000

Water Revenue Bonds
Series A

BIDS TO BE RECEIVED BY THE CLERK OF THE BOARD OF DIRECTORS AT THE OFFICE OF THE CLERK, SANTA CLARA VALLEY WATER DISTRICT, 5750 ALMADEN EXPRESSWAY, SAN JOSE, CALIFORNIA, UNTIL 11:00 A.M., TUESDAY, JUNE 20, 1978.



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SANTA CLARA VALLEY WATER DISTRICT
Santa Clara County, California

BOARD OF DIRECTORS

Maurice E. Dullea, *Chairman*

Joseph Chiri

Linda Peralta

Patrick T. Ferraro

Courtland M. Rush

James J. Lenihan

Robert T. Sapp

John T. O'Halloran, *General Manager*

Violet V. Enander, *Clerk of the Board*

A. T. Henley, *District Counsel*

Lloyd C. Fowler, *Chief Engineer*

Charles G. Wilson,
Manager of Administration and Finance

PROFESSIONAL SERVICES

Orrick, Herrington, Rowley & Sutcliffe, San Francisco
Bond Counsel

Stone & Youngberg Municipal Financing Consultants, Inc., San Francisco
Financing Consultants

Bank of America N.T. & S.A., San Francisco
Fiscal Agent

Harris Trust and Savings Bank, Chicago
Manufacturers Hanover Trust Company, New York
Paying Agents

THE DATE OF THIS OFFICIAL STATEMENT IS JUNE 6, 1978.

SEP 19 2024

UNIVERSITY OF CALIFORNIA

Santa Clara Valley Water District



TO WHOM IT MAY CONCERN:

The purpose of this Official Statement is to supply information to prospective bidders on, and buyers of, \$2,000,000 principal amount of Water Revenue Bonds, Series A, proposed to be issued by the Santa Clara Valley Water District.

The material contained in this Official Statement was prepared by Stone & Youngberg Municipal Financing Consultants, Inc., in the capacity of financing consultants to the District (which firm will receive compensation from the District contingent upon the sale and delivery of the Bonds). Summaries of the Resolution of Issuance and other documents and reports contained herein do not purport to be complete or authoritative and reference is made to such documents on file at the offices of the District for further information concerning legal and/or technical matters.

This Official Statement is not to be construed as a contract with the purchasers of the Series A Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact.

The legal opinion approving the validity of the Bonds will be furnished by Orrick, Herrington, Rowley & Sutcliffe, San Francisco, Bond Counsel. The scope of Bond Counsel's engagement in connection with the review of this Official Statement has been limited to reviewing the statements of law and legal conclusions set forth herein under the caption "The Bonds".

No dealer, broker, salesman or other person has been authorized by the District to give any information or to make any representations other than those contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The execution and distribution of this Official Statement have been authorized by the District.

Dated: June 6, 1978

MAURICE E. DULLEA

Chairman, Santa Clara Valley Water District

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San Francisco Bay Area—Santa Clara Valley Water District appears as the shaded area. A very small portion of the District extends beyond the lower border of the map.
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INTRODUCTION

Santa Clara Valley Water District encompasses all of Santa Clara County, California, an area which has an estimated population of 1,222,800 persons and a 1977/78 assessed valuation of \$6,383,153,934. The District is the primary source of water throughout the county, supplying water to its more than 2,000 customers by means of the groundwater basins, surface water reservoirs and imported water from other agencies.

The District provides both treated and untreated water to its customers, and nearly all of this water is redistributed to hundreds of thousands of retail users who are customers of private water companies and public entities. The District has seven major customers: San Jose Water Works, City of Santa Clara, City of Sunnyvale, City of San Jose, City of Cupertino, California Water Service Company, and Campbell Water Company. In 1976/77, these seven accounts remitted \$7,914,787 of the water utility's total \$10,016,130 operating revenues, or more than 79% of the total. The largest single customer of the District, San Jose Water Works, paid total charges of \$5,253,523 during 1976/77, or more than 52% of the water utility's total operating revenues. San Jose Water Works has more than 185,000 retail customers and serves water to approximately 650,000 people in Metropolitan San Jose.

On May 31, 1977, the voters of the District, voting at a special bond election, authorized the issuance of \$56,000,000 principal amount of water revenue bonds for the purpose of improving the District's water system. The \$2,000,000 Water Revenue Bonds, Series A issue being offered at this time

is the first increment of the total authorization. It is anticipated that subsequent issues will be offered at approximately two-year intervals during the next four years.

The Water Utility Enterprise of the Santa Clara Valley Water District is the utility from which the revenues are derived to provide payment of principal and interest on the \$2,000,000 Water Revenue Bonds, Series A.

The Enterprise has historically been self-supporting from water charges to its customers, while at the same time levying taxes within several different zones of benefit in order to supplement its funds in support of capital improvement programs and on-going planning for treatment and distribution facilities.

In each of the past five fiscal year's operations of the Enterprise, Net Revenues, as defined in the Bond Resolution have exceeded \$3,000,000. In 1976/77, Net Revenues amounted to \$3,297,776. The estimated maximum annual bond service on the \$2,000,000 Series A issue is projected to be \$463,000, based upon a 5% annual interest rate. Thus the 1976/77 Net Revenues would have provided more than seven times coverage of the maximum annual bond service.

The District's annual audit reports indicate that with the additional accounting of non-operating revenues and non-operating expenses, subsequent to the priority of revenue bond service, the total Net Revenues of the Water Utility Enterprise ranged from a low of \$2,412,166 in 1975/76 to a high of \$3,106,425 in 1976/77.

THE BONDS

Authority for Issuance

The \$2,000,000 Santa Clara Valley Water District Water Revenue Bonds, Series A currently being offered for sale is the first issue of \$56,000,000 principal amount of bonds authorized by a majority of the voters voting at a special election held within the District on May 31, 1977. Issuance of the Bonds is authorized by Resolutions Nos. 78-68 and 78-69 of the Board of Directors adopted June 6, 1978, copies of which accompany this official statement.

The Bonds will be issued pursuant to and in conformity with the Revenue Bond Law of 1941, Chapter 6, Part 1, Division 2, Title 5 of the California Government Code, commencing with Section 54300. No additional series of Bonds are anticipated to be issued by the District for a period of six to twelve months.

Terms of Sale

Bids for the purchase of the Series A Bonds will be received by the Clerk of the Board of Directors at the Office of the Clerk, Santa Clara Valley Water District, 5750 Almaden Expressway, San Jose, California, until 11:00 A.M., Tuesday, June 20, 1978.

It is expected that the bids will be referred to the Board of Directors for action during its regular meeting on that day. Details as to the terms of sale are included in the Official Notice of Sale adopted by the District on June 6, 1978, a copy of which accompanies this official statement.

Description of the Bonds

The Bonds will be dated June 1, 1978 and will be issued as coupon bonds in the denomination of \$5,000 each, numbered A1 through A400. The Bonds will mature serially on June 1 in each of the years and in the amounts shown in the Schedule of Maturities following.

The first interest coupon will be payable June 1, 1979 and will represent one year's interest. Thereafter interest is payable semiannually on June 1

and December 1 of each year, beginning December 1, 1979. Both interest and principal are payable at Bank of America N.T. & S.A. (Corporate Agency Division), San Francisco, California, fiscal agent of the District or Harris Trust and Savings Bank, Chicago, or Manufacturers Hanover Trust Company, New York, paying agents.

The Bonds will not be callable for redemption prior to their stated maturity dates.

SCHEDULE OF MATURITIES

Year	Principal Amount	Year	Principal Amount
1979 ...	\$360,000	1982 ...	\$420,000
1980 ...	380,000	1983 ...	440,000
1981 ...	400,000		

Legal Opinion

All proceedings in connection with the issuance of the Bonds are subject to the approval of Orrick, Herrington, Rowley & Sutcliffe, San Francisco, California, bond counsel for the District. The unqualified opinion of Orrick, Herrington, Rowley & Sutcliffe attesting to the validity of the Bonds, will be supplied free of charge to the original purchaser of the Bonds. A copy of the legal opinion, certified by the official in whose office the original is filed, will be printed on each Bond without charge to the successful bidder.

The statements of law and legal conclusions set forth in this Official Statement under the heading "The Bonds" have been reviewed by Bond Counsel. Bond Counsel's engagement is limited to a review of the legal procedures required for the authorization of the Bonds and to rendering an opinion as to the validity of the Bonds and the exemption of interest on the Bonds from income taxation (see section hereof entitled "Tax Exempt Status"). The opinion of Bond Counsel will not consider or extend to any documents, agreements, representations, offering circulars or other material of any kind concerning the Bonds, including this Official Statement, not mentioned in this paragraph.

Tax Exempt Status

In the opinion of bond counsel, the interest on the Bonds is exempt from all present Federal income taxes (except to the extent that interest may be taxable on any bonds held by a substantial user (or

related person) of the facility financed from the proceeds of the bonds within the meaning of Section 103(b) of the Internal Revenue Code) and from State of California personal income taxes under existing statutes, regulations, and court decisions, and the bonds are exempt from all California taxes except inheritance, gift, and franchise taxes.

Fiscal Agent

The San Francisco main office of Bank of America National Trust and Savings Association was appointed Fiscal Agent for the District under terms of Resolution No. 78-68. The Fiscal Agent receives all the gross revenues of the District pledged to the security of the Bonds and allocates these revenues to funds in strict accordance with the terms of Resolution No. 78-68.

Purpose

The proceeds from the sale of the Bonds will be used to finance design and construction of improvements to the District's existing water utility system, as detailed in the section of this official statement entitled "The Project."

Security

Bond principal and interest are payable from and secured by a first lien on the gross revenues of the Enterprise. Gross revenues include all income, receipts, or revenues derived from the operation of the Enterprise or arising out of the Enterprise or in any way incidental to the Enterprise, including interest on investment of reserve funds.

Disposition of Bond Proceeds

Resolution No. 78-69 provides that upon receipt of payment for the Series A Bonds, the Fiscal Agent shall apply the proceeds as follows:

(a) Accrued interest paid by the purchasers of the Bonds is to be deposited in the Interest Account.

(b) A sum equal to the maximum annual debt service on the Series A Bonds shall be deposited in the Bond Reserve Account.

(c) The balance of the bond proceeds is to be transferred by the Fiscal Agent to the Manager of Administration and Finance, who is to deposit such proceeds in the Series A Construction Account of the Bond Fund. These moneys are to be used as provided in Resolution No. 78-69 to pay costs of the acquisition and construction of the

1978 Project. Any balance in the Series A Construction Account after completion of such acquisition and construction shall be deposited in the Revenue Fund.

Bond Reserve Account

Upon issuance of the Series A Bonds, the Fiscal Agent will deposit in the Bond Reserve Account within the Revenue Fund an amount equal to the Maximum Aggregate Annual Debt Service on Outstanding Bonds. Thereafter, on or before the first day of each month the Manager of Administration and Finance shall deposit in the Bond Reserve Account such amount of revenues as is necessary to maintain such balance.

All moneys in the Bond Reserve Account shall be used and withdrawn by the Fiscal Agent solely for the purpose of replenishing the Interest Account or the Principal Account, in such order, in the event of any deficiency in either of such accounts, or for the purpose of paying the interest on or principal of the Bonds.

If on any June 1 the amount in the Bond Reserve Account exceeds the sum required by the above paragraph to be on deposit therein and if the District is not then in default, the Fiscal Agent shall withdraw the amount of any such excess from said account and shall pay such amount to the Manager of Administration and Finance, who shall deposit such amount in the Surplus Account.

Revenue Fund

Resolution No. 78-68 provides for the establishment of the "Santa Clara Valley Water District Water Utility System Revenue Fund (the "Revenue Fund") into which all water revenues, together with interest earned thereon, shall be deposited and held in trust. Such revenues shall be disbursed only as provided in Resolution No. 78-68; and shall be accounted for separately from all other moneys of the District.

Deposit and Application of Revenues

Section 5.03 of Resolution No. 78-68 establishes five special accounts within the Revenue Fund, into which deposits must be made in the following order of priority:

(1) *Interest Account.* On or before the first day of each month, the Manager of Administration and Finance shall, from moneys in the Revenue Fund, deposit with the Fiscal Agent in the

Interest Account, for each Series of Bonds Outstanding, an amount of Revenues equal to the monthly amount (computed on a pro rata basis) of the difference between the amount deposited in the Interest Account from the proceeds of such Series of Bonds and the amount of interest becoming due and payable on such Series of Bonds on the first interest payment date thereof, and thereafter an amount of Revenues equal to one-fifth (1/5) of the aggregate amount of interest becoming due and payable on such Series of Bonds on the next succeeding interest payment date.

(2) *Principal Account.* On or before the first day of each month, the Manager of Administration and Finance shall, from moneys in the Revenue Fund thereafter deposit with the Fiscal Agent in the Principal Account an amount of Revenues equal to (a) one-tenth (1/10) of the aggregate amount of principal becoming due and payable on the Outstanding Serial Bonds on the next succeeding June 1, plus (b) one-tenth (1/10) of the aggregate amount of the minimum annual sinking fund account payments required by any Supplemental Resolution to be made during the year ending on the next succeeding June 1 into the respective sinking fund accounts for all Term Bonds for which sinking fund accounts shall have been established, all of which said sinking fund account payments shall be made without priority of any sinking fund account payment into any one such sinking fund account over any sinking fund account payment into any other such sinking fund account.

(3) *Bond Reserve Account.* On or before the first day of each month, the Manager of Administration and Finance shall, from moneys in the Revenue Fund, deposit with the Fiscal Agent in the Bond Reserve Account such amount of Revenues as shall be required to restore the Bond Reserve Account to a sum equal to the Maximum Aggregate Annual Debt Service on all Outstanding Bonds, or such larger amount as may be required to be maintained on deposit in the Bond Reserve Account by any Supplemental Resolution.

(4) *Maintenance and Operation Account.* On the date of issuance of the Series A Bonds, the Manager of Administration and Finance shall deposit from other available funds of the District in the Maintenance and Operation Account a sum at least equal to the amount required by the District for the payment of budgeted Maintenance

and Operation Costs of the Enterprise for the period commencing on such date and continuing until July 1, 1978. On or before the first day of each month, beginning in July, 1978, the Manager of Administration and Finance shall, from moneys in the Revenue Fund, deposit in the Maintenance and Operation Account a sum equal to the amount required by the District for the payment of budgeted Maintenance and Operation Costs of the Enterprise during the calendar month beginning on such day.

(5) *Surplus Account.* All moneys remaining in the Revenue Fund on the first day of each month, after setting aside and depositing all of the sums required to be set aside or deposited therefrom by the Manager of Administration and Finance by the provisions of Sections 5.03(1), (2), (3), and (4), shall be deposited by the Manager of Administration and Finance in the Surplus Account. Moneys in the Surplus Account shall be used as and when needed to eliminate any deficiency which may exist at any time in any of the accounts established by Sections 5.03(1), (2), (3), and (4), in such order. Subject to the foregoing, moneys in the Surplus Account may be expended by the District at any time to pay any expense or cost incurred in connection with the operation, maintenance, repair or improvement of the Enterprise, and on June 1 of each year may be withdrawn and deposited in the District's general fund for expenditure for any lawful purpose of the District; provided, however, that the Manager of Administration and Finance shall not permit the expenditure or withdrawal by the District of any moneys held in the Surplus Account if and when the District is in default.

Establishment of Rates, Fees and Charges

The District covenants and agrees that as long as any bonds are outstanding it will fix and maintain fees, rates, and other charges for water service, including groundwater extraction charges in any zone or zones of the District, which will produce annual net revenues equal to at least 1.25 times the annual bond interest and principal requirements of all outstanding water revenue bonds and all parity water revenue bonds which may be sold in the future.

Annual net revenues are defined as gross revenues less annual maintenance and operation ex-

penses. The latter includes the reasonable expenses of management, repair and other costs necessary to operate, maintain and preserve the Enterprise in good working order, but excluding any allowance for depreciation.

As shown by the following tabulation, net revenues for the 1976/77 fiscal year would have covered the estimated maximum annual debt service requirements of the Water Revenue Bonds, Series A currently being offered for sale by 7.1 times.

**SANTA CLARA VALLEY WATER DISTRICT
WATER UTILITY ENTERPRISE**

**1976/77 Water Revenues,
Expenses and Coverage**

Operating Revenues	\$10,016,130
Operating Expenses	6,718,354
Net Pledged Revenues	\$ 3,297,776
Estimated Maximum Annual	
Bond Service	\$ 463,000
Coverage	7.1x

Details of the 1976/77 revenues and expenses are contained in Table 12. The Operating Expenses shown have been adjusted in conformance with the definition of such expenses contained in Resolution No. 78-68. The estimated maximum annual bond service is from Table 1.

Additional Bonds

Additional bonds may be issued only on a parity with these bonds, subject to the limitations imposed by Resolution No. 78-68. The limitations imposed are summarized as follows:

1. The District must be in compliance with all covenants of the Resolutions, and a certificate to that effect must have been filed with the Fiscal Agent.
2. Proceeds of additional bonds are to be applied solely for purposes of improvements and additions to the Enterprise or for refunding outstanding bonds.
3. The last maturity date of the additional bonds must be not earlier than the last maturity date of any bonds then outstanding. Additional bonds are to mature on June 1, and interest is to be paid on June 1 and December 1.

4. An additional amount is to be deposited in the Bond Reserve Fund so that its balance will be equal to the maximum annual debt service on all bonds and additional bonds outstanding after sale of the additional bonds.

5. Actual annual net revenues for the last audited fiscal year or twelve-month period must have been equal to at least 1.25 times maximum annual debt service on all outstanding bonds and additional bonds. If additional bonds are to be issued for the purpose of providing funds for improvements and additions to the Enterprise, 75 per cent of the estimated average annual net revenue to be derived from these improvements or additions during the first three years after their acquisition or completion and 75 per cent of any additional annual net revenues estimated to be received from an increase in rates or charges which has not been in effect for a full year may be added to actual annual net revenues for the preceding fiscal year or twelve-month period and treated, for the purposes of this covenant, as if actually received by the District. Any such estimate of new revenues must be as shown by a certificate of a qualified independent engineer employed by the District and satisfactory to the Fiscal Agent.

Additional Covenants

In addition to those described above, the Resolutions include additional covenants of the District, including the following:

1. The District will punctually pay or cause to be paid all principal and interest on the Bonds as it becomes due.
2. The District will not mortgage or otherwise encumber the Enterprise or any revenues except as provided in the Resolutions.
3. The District will not sell, lease, or otherwise dispose of the Enterprise or any part of it essential to its proper operation or to the maintenance of the revenues. The District will not enter into any lease or agreement which impairs the operation of the Enterprise or any part necessary to secure adequate revenues or which would otherwise impair the rights of holders of the Bonds. Property which has become non-operative or which is not needed for the Enterprise may be sold without consent of the bondholders if such sale will not reduce revenues and if the net proceeds are deposited in the Revenue Fund.

4. The District will maintain the Enterprise in good repair and working order at all times and will operate the Enterprise in an efficient and economical manner.

5. The District will pay and discharge all lawful claims for labor, material, or supplies which, if unpaid, might become a lien on revenues.

6. The District will maintain insurance on the Enterprise against such risks as are usually insurable in connection with similar enterprises. The District will secure and maintain adequate fidelity insurance on all officers and employees handling or responsible for any revenues or funds of the Enterprise.

7. The District will maintain proper books and records and make them subject to inspection by the Fiscal Agent or by the holders of not less than ten per cent of the principal amount of bonds. The District will prepare and file with the Fiscal Agent annually within 150 days after the close of each fiscal year commencing June 30, 1979 a detailed statement of revenues, disbursements from revenues, and all expenditures, together with a detailed balance sheet, all as applicable

to the prior fiscal year and accompanied by a certificate of an independent public accountant. The District annual report is also to include a schedule of applicable rates and a general statement of the physical condition of the Enterprise. A summary of this statement is to be published annually not more than 150 days after the close of each fiscal year, and copies of the summary statement will be furnished to the Fiscal Agent and to any bondholder upon request.

8. The District will protect and defend the security of the Bonds and the rights of the bondholders against all claims and demands.

9. The District will not acquire, construct, operate or maintain any competitive water system.

10. The District will not invest the proceeds of the Bonds in such a manner which would result in the Bonds being taxable "arbitrage bonds" within the meaning of section 103(c), Internal Revenue Code of 1954, as amended.

Estimated Annual Bond Service

The estimated annual bond service for Water Revenue Bonds, Series A is presented in Table 1.

Table 1

SANTA CLARA VALLEY WATER DISTRICT—Water Revenue Bonds Series A

Estimated Annual Bond Service

Year Ending June 1	Bonds Outstanding	Principal Maturing	Interest @ 5%	Series A Estimated Bond Service
1979	\$2,000,000	\$ 360,000	\$100,000	\$ 460,000
1980	1,640,000	380,000	82,000	462,000
1981	1,260,000	400,000	63,000	463,000
1982	860,000	420,000	43,000	463,000
1983	440,000	440,000	22,000	462,000
Totals		\$2,000,000	\$310,000	\$2,310,000

THE DISTRICT

Santa Clara Valley Water District is a multi-purpose special district created by the legislature of the State of California in 1951. The District encompasses all of Santa Clara County, one of the fastest growing areas of the entire state.

The District has very broad powers relating to all aspects of the control of flood and storm waters within the District whether or not such waters have their sources within the District. The storage and distribution of all types of water for use within the District is its responsibility in order that sufficient water be available for any present or future beneficial use or uses of the lands or inhabitants of the District including the acquisition, storage and distribution of water for irrigation, domestic, fire protection, municipal, commercial, industrial, and all other beneficial uses.

The District is governed by a seven-member board of directors. Five of the members are elected from the five county supervisorial districts and two members are appointed by the Board of Supervisors of Santa Clara County to represent the District at large. The term of office of directors is four years. The following paragraphs provide a brief personal profile of each of the present directors.

Maurice E. Dullea, Director, District 4

Director Dullea became a Board member March 7, 1968, and is currently Chairman of the Board. His current term expires in January 1979.

Prior to serving as a Director, he served as Mayor and Councilman for the City of Santa Clara. He was also a member of the Santa Clara County Water Commission.

Mr. Dullea has been in the life insurance business over thirty years and presently has offices in the City of San Jose.

Patrick T. Ferraro, Director, District 2

Director Ferraro became a Board member on January 1, 1973 and is now Vice-Chairman of the Board. His current term expires in January 1981.

Prior to serving as a Director, he was employed as a Sanitary Engineer for Consoer-Bechtel Corporation. Mr. Ferraro manages the firm of Water Brothers, an Environmental Consulting Business. He also has a moving business and teaches engineering at local colleges and at Santa Clara University.

Joseph Chiri, Director, District 1

Director Chiri became a Board member on December 12, 1960. His current term expires in January 1979.

Prior to serving as a Director he was a Director of the Central Santa Clara Valley Water Conservation District. Mr. Chiri, an agriculturalist, has conducted agri-business in Santa Clara County for the past forty-five years.

James J. Lenihan, Director, District 5

Director Lenihan became a Board member June 7, 1960. His current term expires in January 1981. Director Lenihan is a member of the four-county San Felipe Committee and was a member of its predecessor, the Tri-County Water Authority.

Mr. Lenihan is an insurance broker, and has handled general insurance, property, and casualty insurance for twenty-six years.

Linda Peralta (director-at-large)

Director Peralta became a Board member October 26, 1976. Her current term expires in January 1982.

Prior to serving as Director, she was the Affirmative Action Officer for the Santa Clara Valley Water District, the Field Office Representative for Congressman Norman Y. Mineta, and an Administrative Aide for the San Jose City Council.

She is currently employed as a Legislative Consultant for Singer Corporation, Educational Systems Division, New York, New York.

Courtland M. Rush (director-at-large)

Director Rush became a Board member November 13, 1973. His current term expires in January 1980.

Prior to serving as Director, he was a Councilman for the City of Gilroy and a Director of the South Santa Clara Valley Water Conservation District.

He was a farm machinery and implement dealer and has operated his own real estate business for the past fourteen years.

Robert T. Sapp, Director, District 3

Director Sapp became a Board member on February 7, 1961. His current term expires in January 1981.

Prior to serving as a Director, he served as a Councilman for the City of Sunnyvale and was President of the Sunnyvale Chamber of Commerce. Mr. Sapp had a private insurance business for twelve years and was General Manager of a machine shop and tool and die business in Santa Clara. He is currently Sales Representative for a manufacturing and distribution organization and is a partner in a plumbing services agency.

The General Manager of the District is John T. O'Halloran, who was appointed to the position in June, 1973. Mr. O'Halloran received his Bachelor of Science Degree from the University of San Francisco and is currently preparing a thesis for a Master of Arts in Public Administration.

Prior to joining the District, he was City Manager of the City of Mountain View for a period of fifteen years, where he was previously the Director of Finance.

Mr. O'Halloran is responsible for effectuating programs established or approved by the Board of Directors and coordinating such programs with the State of California and other local agencies, particularly the fifteen cities within Santa Clara County. Mr. O'Halloran's many affiliations and directorships include League of California Cities, Director of California Water Resources Association, Secretary of National Association of Urban Flood Management Agencies, and many others.

Mr. Lloyd C. Fowler, Chief Engineer of the District, was chosen in 1977 as one of the Top Ten Public Works Men of the Year by the American Public Works Association. Mr. Fowler was honored for his achievements in water importation and initiation of flood protection programs.

Mr. Fowler is a graduate of the University of California and holds Bachelor's and Masters' Degrees in civil engineering.

Mr. Fowler is in charge of all the District's engineering activities, including planning, design, construction, operation and maintenance of water supply facilities and flood protection projects.

Mr. Fowler previously was chief of the planning branch of the Southern District of the California

Department of Water Resources, and has worked as a hydraulic engineer for the Army Corps of Engineers.

Existing Facilities

The present In-County Water Distribution System has four principal components, which are:

1. Sources of Supply

2. Raw Water Conveyance Facilities, consisting of streams, canals and pipelines

3. Groundwater Treatment System, with its percolation facilities

4. Surface Water Treatment and Distribution System

(1) Sources of Supply

Due to the increasing water requirements in the County, it has been necessary to not only develop existing water supplies within the County but also to import additional water into the North County.

Presently, the County has four existing sources of water supply, (1) natural groundwater, (2) surface reservoirs, (3) imported water from the South Bay Aqueduct of the State Water Project, and (4) water imported through the Hetch-Hetchy Aqueduct of the City of San Francisco. The first three are raw water sources, which are used in part in recharging the County's groundwater basins.

The County's four existing sources of water supply are discussed in the following subsections.

A. Natural Groundwater Yield

Three major interconnected groundwater basins exist within the County. These groundwater basins are the Santa Clara Valley, the Coyote and the Llagas Basins, which together occupy about 240,000 acres of the 849,000 acres in Santa Clara County.

Overpumping of the groundwater basins causes such related problems as subsidence and increased pumping costs, and increases the potential for salt-water intrusion from the San Francisco Bay. A program for recharging the basins has been implemented to help alleviate these problems. This program includes both on-stream and off-stream percolation facilities to receive both local and imported water supplies.

Table 2
Natural Groundwater Yield
In Santa Clara County
In Acre-Feet Per Year

Santa Clara Valley Basin	
West Zone	51,000
Central Zone	27,800
East Zone	18,600
Sub Total	97,400
Coyote Basin	
Sub Total	5,500
Llagas Basin	
Morgan Hill-San Martin Area	18,800
Gilroy-Uvas Area	40,000
Sub Total	58,800
Total	161,700

The County's three groundwater basins have a total natural groundwater yield of approximately 162,000 acre-feet per year. The natural groundwater yield is that amount of local water, exclusive of controlled releases from surface reservoirs, that flows or seeps into the aquifers of the groundwater basins. Such water includes reservoir overflows, natural percolation of precipitation and percolation of agricultural and residential irrigation. It also includes subsurface inflow from beneath the Bay and from the surrounding hills and basins. Table 2 shows the estimated average amounts of natural groundwater yield available in the three basins. These yields represent the annual amounts of water that could be pumped from the groundwater basins, without changing on the long-term average, the amounts of water in storage.

B. Surface Reservoir Yield

Surface water is a primary source of water for groundwater recharge in the County. Storage reservoirs have been constructed on most of the major streams to retain seasonal runoff which later is released for groundwater recharge and some irrigation. Table 3 lists those reservoirs that provide some increment of the County's water supply. All of the reservoirs are owned and operated by the Santa Clara Valley Water District with the exception of Uvas, Chesbro, Williams, and Elzman Reservoirs. Chesbro and Uvas Reservoirs, located in the Llagas Basin, are owned and operated by the South Santa Clara Valley

Water Conservation District. Elzman and Williams Reservoirs, located in the Santa Clara Valley Basin are owned and operated by San Jose

Table 3
Surface Reservoir Yield
In Santa Clara County
In Acre-Feet Per Year

Santa Clara Valley Basin	
Almaden-Calero	5,800
Anderson-Coyote	25,000
Guadalupe	2,400
Lexington-Vasona	11,700
Stevens Creek	2,500
Williams-Elzman	13,000
Sub Total	60,400
Coyote Basin	
Anderson-Coyote	4,600
Sub Total	4,600
Llagas Basin	
Anderson-Coyote	1,900
Chesbro	3,800
Uvas	4,700
Sub Total	10,400
Total	75,400

Water Works. Table 3 also lists the long-term average operational yield available from each of the reservoirs for groundwater recharge and/or surface deliveries. The yield represents the average annual quantity of water available from each reservoir. These quantities were derived from historical data.

Based on historical use, the Anderson-Coyote yield was divided among the three basins as shown.

The present average annual controlled recharge capability of the three groundwater basins with existing recharge facilities and present operational procedures is about 157,700 acre-feet per year. Studies have shown that with the availability of additional water from new reservoir and/or additional imported water, the percolation capacity in the County could be increased both by increasing the capacity of existing percolation facilities and by the construction of new facilities.

C. Imported Water—State Water Project

At present, Santa Clara Valley Water District is importing untreated water through the South Bay Aqueduct of the State Water Project. The District

is one of three public agencies which have contracted with the State of California for water from this aqueduct. The District is presently entitled to 88,000 acre-feet per year and will get increases each year commencing in 1988 up to a maximum 100,000 acre-feet in 1994.

Since 1965, the South Bay Aqueduct has played a vital role in meeting the increasing demands for water in Santa Clara Valley. The South Bay Aqueduct is part of the much larger California State Water Project which had its beginnings in the early 1950's.

The project is designed to transport water from northern California and deliver it to areas of demand in other portions of the State. Major financing for the project came in 1960 when California voters approved the 1.75 billion dollar bond issue for construction of the project. This amount was the largest single state bond authorization in the history of the nation.

The water conveyed through the South Bay Aqueduct is currently used in the Santa Clara Valley Basin, and is the District's source of supply for its two treatment plants, Rinconada and Penitencia. At present, approximately half of the South Bay Aqueduct water is also used to recharge the Santa Clara Valley Groundwater Basin, and the remaining half is treated and distributed to various local water agencies.

Table 4
Summary of Existing Sources of Water Supply in Acre-Feet Per Year

	Present	Ultimate
Santa Clara Valley Basin		
Natural Groundwater	97,400	97,400
Surface Reservoir	59,700	59,700
Imported Water	138,800 to	163,800
Sub Total	295,900	320,900
Coyote Basin		
Natural Groundwater	5,500	5,500
Surface Reservoir	5,300	5,300
Sub Total	10,800	10,800
Llagas Basin		
Natural Groundwater	58,800	58,800
Surface Reservoir	10,400	10,400
Sub Total	69,200	69,200
Total	375,900	400,900

D. Imported Water — San Francisco Water Department

A fourth major source of supply to Santa Clara County is the Hetch-Hetchy Aqueduct, which has historically conveyed water from the Sierra Nevada Mountains to users in Alameda, San Mateo, Santa Clara, and San Francisco Counties. The aqueduct is operated by the San Francisco Water Department, and water from the aqueduct was made available to the North Santa Clara Valley water agencies when the first contract was signed with the San Francisco Water Department in 1952. Since that time the contracts for Hetch-Hetchy water have increased in number and at present approximately 51,000 acre-feet of water per year is delivered to water agencies in Milpitas, Sunnyvale, Mountain View, Palo Alto, Los Altos Hills, San Jose and Santa Clara. Considering the increasing demand of these cities for water and the expected water availability, deliveries of Hetch-Hetchy water is expected to increase from the present 51,000 acre-feet per year to an estimated 64,000 acre-feet per year by 2020.

A projection of the ultimate availability of water from existing sources of supply is presented in Table 4. As shown, by the year 2020, an existing and/or contracted supply of 401,100 acre-feet per year is projected.

(2) Raw Water Conveyance Facilities

To transport imported water as well as local conserved water for treatment and/or groundwater recharge, the District has constructed a raw water conveyance system to supplement the natural channels and streams. The conveyance system is comprised of man-made facilities such as canals, pipelines and pumping facilities as well as the natural system of creeks and streams.

a. Natural Conveyance System

The primary raw water conveyance system in Santa Clara County is the network of streams and creeks which convey the natural runoff for groundwater recharge, and during periods of high runoff, to the Bay and to the Pajaro River. During the rest of the year, these streams convey water, which is collected and stored in conservation reservoirs, to various percolation sites for recharging the groundwater basins. Control over the quantities and locations of delivery is maintained by regulating the

flows discharged from the reservoirs and using various check dams and diversion facilities.

b. Canals and Related Facilities

To complement the natural conveyance system, various canals and conduits have been built. These major facilities are (1) the Coyote Canal and Coyote Canal Extension, the Evergreen Distribution System, the Coyote-Alamitos Canal and the Madrone Channel which are all used to distribute water, collected at Anderson Reservoir, to various recharge areas, (2) the Almaden-Calero Canal which is used to transfer water from Almaden Reservoir to Calero Reservoir for additional conservation during the runoff season and (3) the Uvas-Llagas Conduit which is used to transfer water from Uvas Creek to Llagas Creek.

c. Raw Water Pipelines

In addition to the natural raw water conveyance system and its complementing system of canals, there are several major raw water pipelines which are used to transport imported raw water to various points for treatment, irrigation and/or percolation. These various components consist of the Central Pipeline, the Almaden Valley Pipeline, the Rinconada Force Main and the Stevens Creek Pipeline. The Vasona Pump Station is presently used to provide additional head to the system.

(3) The Groundwater System

The groundwater system, considered one of the four main components of the District's In-County Water Distribution System, consists of the groundwater basins and the on-stream and off-stream recharge facilities associated with each basin. The groundwater basins can transmit, filter and store water, thus making it one of the system's most valuable components.

The groundwater system in Santa Clara County consists primarily of three interconnected groundwater basins. They are the Santa Clara Valley, the Coyote, and the Llagas Basins. These three basins annually transmit, filter, store, and yield over 65 percent of the water needs of the County, and thus they are a primary component of the County water supply system. Secondary components of the groundwater system are the on-stream and off-stream recharge facilities which enable the District to control and monitor, to an extent, the basins' operation.

The groundwater basins roughly coincide with the valley floor areas of the County. This occurs because the main water-bearing and transmitting materials of the basins underlie the valley floor areas. The Santa Clara Valley Basin is the largest of the three basins, having a surface area of over 225 square miles.

At the boundaries of the groundwater basins and completing the groundwater system are the sources for inputs and output to the basins. In general, the groundwater system has two inputs, surface and subsurface inflows. There are several types of surface inflows, such as any unmeasured infiltration of rainfall from open lands or from streams; infiltration of any urban or agricultural sprinkling or irrigation; and controlled recharge in streams or in surface-constructed recharge facilities.

The second type of inflow, subsurface inflow, is the least known source of water to the groundwater basins. It occurs from adjacent topographic boundaries such as the mountains adjacent to the valley, or from adjacent tributary basins.

Basin output, or extraction, occurs via pumping for municipal and agricultural uses, and from subsurface outflow, such as extra-basin transfer that occurs from the Coyote Basin to the Santa Clara Valley Basin. Approximately 232,000 acre-feet of water per year is pumped from the groundwater basins of the County. This presently represents approximately 65 percent of the County's demand. If the current rate of pumping remains constant to the year 2020, the basins will be supplying over 40 percent of the water needs of the valley based upon expected demands in that year.

(4) Surface Water Treatment System

To supplement the natural treatment process provided by the groundwater basins, the District, as well as San Jose Water Works, has constructed and is operating water treatment systems to meet the demands of the County. The three existing treated water systems within the County are the Rinconada Water Treatment System and the Penitencia Water Treatment System, both operated by the District, and the Montevina Treatment Plant operated by the San Jose Water Works.

Also delivering potable water in Santa Clara County is the City of San Francisco's Hetch-Hetchy Aqueduct.

THE PROJECT

San Felipe Division Central Valley Project

Following years of extensive engineering and planning programs by the District staff and consulting engineers, two major alternative sources of additional imported water were considered as the most practical means of meeting the District's future requirements. One of these is a conveyance system paralleling the existing South Bay Aqueduct with the water source being the Bureau of Reclamation's existing water rights from the Sacramento-San Joaquin Delta.

The most practical alternative is that known as the San Felipe Division of the Central Valley Project. This alternative will import the entire amount of projected supplemental water required to meet the County's needs in the year 2020. Although the District's own In-County Water Distribution System as now planned can be modified to accommodate other sources, the San Felipe Division is now the basis for District planning and financing.

The Bureau of Reclamation, United States Department of the Interior, will construct the San Felipe Division which will ultimately deliver water to the Counties of Santa Clara, San Benito, Monterey and Santa Cruz. Through the sale of water to these four counties, the Bureau of Reclamation will recover a substantial portion of its costs.

Construction of the San Felipe Division of the Central Valley Project was authorized in 1967. Advanced planning studies have been completed and a construction start is scheduled for 1978.

The San Felipe Division will be a conveyance facility to provide a supplemental water supply in the above counties for irrigation, municipal and industrial use. It will prevent further mining of the groundwater in Santa Clara County, replace boron-contaminated water in San Benito County, and provide water to coastal areas in Santa Cruz and Monterey Counties.

The San Felipe Division has been planned to supply to Santa Clara and San Benito Counties about

196,000 acre-feet (242 million cubic meters) annually by the year 2020. Water will be delivered to the service areas not only by direct diversion from the distribution systems, but also through the expansion of the large groundwater recharge operation now being carried out by local interests. The majority of the water supply, about 140,000 acre-feet, will be used for municipal and industrial purposes.

Conveyance of the water to be used in the San Felipe service area will require the completion of the 7.1-mile-long Pacheco Tunnel and Pacheco Pumping Plant. The facilities required to serve Santa Clara and San Benito Counties include 48 miles of pipelines, 2 large pumping plants, and 2 reservoirs. About 60 percent of the water conveyed to Santa Clara County will be percolated to the underground for agricultural and municipal uses, and the balance will be treated for direct municipal and industrial delivery. Water will be conveyed from the Delta of the San Joaquin and Sacramento Rivers through the Delta-Mendota Canal or the north portion of the California Aqueduct to O'Neill Forebay. It will then be pumped into San Luis Reservoir and diverted through the existing 1.8 miles of Pacheco Tunnel to the Pacheco Pumping Plant. Ultimately, at the pumping plant, fourteen 1500-horsepower pumps will lift water to the 5.3-mile-long high level section of Pacheco Tunnel. The water will then flow through the tunnel without additional pumping, through 29 miles of concrete, high-pressure pipeline, and a 1.1-mile-long Santa Clara Tunnel. The pipeline will terminate at Coyote Afterbay Reservoir. This small, 74 acre-foot reservoir will be located at the base of the existing Anderson Dam. The Coyote Pumping Plant will be constructed on the afterbay and will be capable of pumping water to Anderson Lake or existing Calero Reservoir.

In-County Water Distribution System Expansion

As the San Felipe Project progresses, and a new and extensive water supply becomes available to the District in the mid-1980's, the District's own system must be prepared to accept, treat, and distribute the water. It is for this purpose that the voters of the District authorized the sale of \$56,000,000 of revenue bonds, and for which this first \$2,000,000 issue is being offered for sale.

The District's Master Plan for such expansion was finalized in 1975 and provides the basis for the major construction projects now planned for completion by 1985. It is not the intention of the District that these projects be financed totally from the proceeds of

bond issues but rather that annual surplus revenues and other available funds be combined with bond proceeds to accomplish the goals.

It is estimated that expansion to meet needs of the year 1990 will exceed \$90 million but the presently authorized \$56,000,000 of revenue bonds combined with District funds will provide sufficient facilities to utilize the San Felipe Division water.

Some of the most needed projects, with estimated costs, in the approximate order of their construction schedule are shown below.

Almaden Valley Pipeline Phase II (\$22,300,000)

The Almaden Valley Pipeline (Phase II) will carry raw water from Calero Reservoir to the terminus of the Almaden Valley Pipeline (Phase I) and on to the Vasona Pump Station and the Rinconada Water Treatment Plant, with turnouts along the way for groundwater recharge. This facility will be a 72-inch diameter, 39,000 ft. pipeline.

Calero Outlet Enlargement (\$1,600,000)

This project is an 800 ft., 72-inch diameter pipeline to be installed in the existing embankment of Calero Dam. This facility will connect with the proposed Almaden Valley Pipeline, Phase II, to convey water from the Calero Reservoir to the Rinconada Treatment Plant and to recharge areas in north Santa Clara County.

Cross-Valley Pipeline (\$18,900,000)

The Cross-Valley Pipeline will convey raw water from the Coyote Pumping Station to Calero Reservoir. This facility will be approximately 43,000 feet in length and it will have a capacity of approximately 75,000 acre-feet per year.

Rinconada Water Treatment Plant Expansion (\$4,300,000)

At the existing Rinconada Water Treatment Plant, which has a present nominal capacity of 40 million gallons per day (44,000 acre-feet per year), one additional stage is being planned. This stage will add an additional 20 million gallons per day of nominal capacity.

Milpitas Pipeline (\$9,200,000)

The Milpitas Pipeline will transport water, treated at the Penitencia Water Treatment Plant, from the Piedmont Valve Yard to the City of Milpitas. The pipeline will be about 11,000 feet long and have the capacity to transport approximately 10,000 acre-feet of water per year. It will also feed the proposed North San Jose Distributary.

Mountain View Distributary (\$1,900,000)

The Mountain View Distributary will be used to transport water, treated at the Rinconada Water Treatment Plant, from the West Pipeline to Mountain View service areas. The pipeline will be about 4,500 feet long and will have the capacity to transport about 8,500 acre-feet of water annually.

Penitencia Water Treatment Plant Expansion (\$5,200,000)

At the existing Penitencia Water Treatment Plant, which has a present nominal capacity of 20 million gallons per day (22,000 acre-feet per year), one additional stage is being planned. This stage will add 20 million gallons per day of nominal capacity.

Maple Avenue Recharge Facility (\$4,200,000)

This is a proposed 18-acre recharge pond and a 1.5-mile pipeline to be located two miles southwest of Morgan Hill. The pipeline will convey water from the Santa Clara conduit to the Maple Avenue recharge pond and to Llagas Creek.

West Pipeline Extension (\$2,200,000)

The proposed West Pipeline Extension is a 1.6 mile, 21-inch diameter pipeline which will extend treated water service from the Rinconada Water Treatment Plant to the Purissima Hills County Water District Service Area.

Series A Bond Proceeds Application

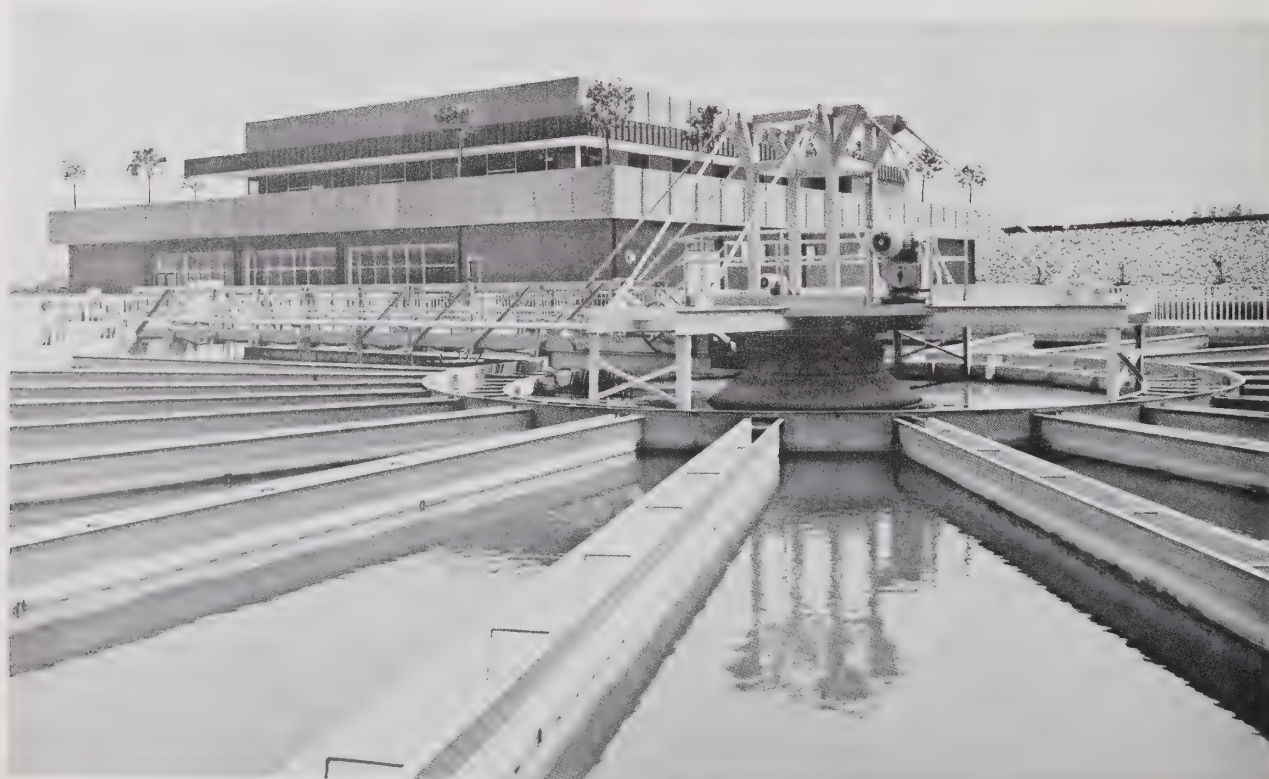
The \$2,000,000 proceeds of this initial Series A issue will be combined with District reserve funds currently on hand to finance projected In-County Distribution System design and construction through the next eighteen to twenty-four month period.

The funds will be utilized on a variety of projects as shown in the following table.

Table 5
Projected Costs
In-County Distribution System Facilities
1978/79 Through 1979/80

Facilities	Project Planning	Project Design	Land Purchases	Total
East Reservoir	\$ —	\$ —	\$ 550,000	\$ 550,000
West Reservoir	80,000	—	250,000	330,000
Almaden Pipeline	176,000	1,006,000	440,000	1,622,000
Cross Valley Pipeline	179,000	968,000	2,118,000	3,265,000
Calero Outlet	19,000	69,000	—	88,000
Maple Ave. Recharge Facility	—	—	358,000	358,000
Total	\$454,000	\$2,043,000	\$3,716,000	\$6,213,000
1978/79 through 1979/80 Design and Construction				\$6,213,000
Bond Issuance, Legal and Financial				37,000
Bond Reserve Fund				463,000
				<u>\$6,713,000</u>
Source of Funds:				
District Cash Reserves			\$4,713,000	
Series A Bonds			<u>2,000,000</u>	
Total Funds Available				<u>\$6,713,000</u>

Rinconada Water Treatment Plant.



THE ENTERPRISE AND ITS OPERATIONS

The Santa Clara Valley Water District Water Utility Enterprise serves as the principal source and distributor of water for Santa Clara County. While the District does control and distribute vast quantities of water, it does so through a relatively small number of customers because of its role as supplier to public entities and private users of both treated water and groundwater.

The District's principal customers are seven water purveyors which re-distribute to retail customers the majority of the District's water volume. Table 6 reviews the number of the District's customers for the past five years.

Table 6
Water Utility Enterprise Customers

Year	Ground-water Customers	Surface Water Customers	Total Number Customers
1973	2,203	218	2,421
1974	2,105	214	2,319
1975	2,028	232	2,260
1976	2,014	238	2,252
1977	2,021	241	2,262

The seven major accounts to which the District delivers water are the San Jose Water Works, City of Santa Clara, City of Sunnyvale, City of San Jose,

City of Cupertino, California Water Service Company, and Campbell Water Company. A five-year history of treated water and groundwater sales to these accounts along with 10 months of 1977/78 treated water sales is illustrated in Table 7 and Table 8.

The combined groundwater and treated water revenues of the seven major accounts are presented in Table 9. For comparative purposes, the total water service revenues including ground, treated, and surface as excerpted from the District annual audits are also shown. These comparative figures illustrate the major proportion of water revenues produced by the seven accounts.

Along with the large major water accounts, 43 other users represent a substantial part of the water utility service charge income. These users utilize both groundwater and surface water in their operations. The past five years history of these water volumes and revenue are reviewed in Table 10.

The following tables demonstrate that in each year the seven major water retailers and forty-three other users remit in excess of 90% of the District's water revenues. Another 5% of these total annual water revenues is received from four other principal accounts which utilize only groundwater as opposed to the combination groundwater and treated water usage of the seven major accounts. Table 11 summarizes the past five years volume and revenue of the four other major groundwater accounts.

Table 7**WATER UTILITY MAJOR ACCOUNTS****Treated Water Sales****Fiscal Years 1972/73 through 1976/77 and 1977/78 through April**

	1972/73		1973/74		1974/75		1975/76		1976/77		1977/78 thru April	
	Acre-Feet	Revenue	Acre-Feet	Revenue	Acre-Feet	Revenue	Acre-Feet	Revenue	Acre-Feet	Revenue	Acre-Feet	Revenue
San Jose Water Works	27,809	\$1,637,512	25,853	\$1,625,950	41,791	\$2,354,552	38,488	\$2,346,571	36,645	\$2,643,077	28,466	\$2,119,316
City of Santa Clara...	3,326	185,815	3,448	196,120	3,771	217,840	3,700	236,505	3,909	261,756	2,281	168,697
City of Sunnyvale ...	5,952	321,675	5,794	320,751	5,871	331,105	5,843	342,769	5,831	420,620	3,987	298,436
City of San Jose	—	—	—	—	3,550	214,037	4,549	267,403	3,890	274,120	3,100	225,348
City of Cupertino ...	1,570	96,677	1,786	107,452	2,351	132,546	2,497	143,204	1,912	140,115	1,769	126,757
California Water Service	5,179	318,518	7,475	413,231	8,838	475,621	9,607	519,201	7,409	497,486	5,234	365,827
Campbell Water Co.	1,156	70,631	1,120	69,431	1,222	75,842	1,309	79,899	1,218	85,770	740	54,358
Total	44,992	\$2,630,828	45,476	\$2,732,935	67,394	\$3,801,543	65,993	\$3,935,552	60,814	\$4,322,944	45,577	\$3,358,739

Table 8**WATER UTILITY MAJOR ACCOUNTS****Groundwater Volume and Charges****Fiscal Years 1972/73 Through 1976/77**

	1972/73		1973/74		1974/75		1975/76		1976/77	
	Acre-Feet	Dollars	Acre-Feet	Dollars	Acre-Feet	Dollars	Acre-Feet	Dollars	Acre-Feet	Dollars
San Jose Water Works...	72,521	\$2,174,215	65,962	\$1,977,639	60,676	\$1,818,929	82,855	\$2,485,121	76,825	\$2,610,446
City of Santa Clara ...	15,633	469,042	16,191	485,080	16,940	508,111	18,897	566,383	17,148	582,603
City of Sunnyvale	4,766	143,001	3,847	115,428	4,428	132,861	5,372	161,172	4,808	163,491
City of San Jose	3,239	97,197	3,647	109,428	520	15,609	94	2,836	400	13,624
City of Cupertino	1,217	36,515	845	25,358	663	19,900	795	23,853	1,269	43,157
California Water Service Company	6,250	187,460	4,187	125,189	2,891	86,481	3,163	94,402	3,356	113,291
Campbell Water Company	1,929	57,884	2,013	60,418	2,119	63,580	2,315	69,423	1,919	65,231
Total	105,555	\$3,165,314	96,692	\$2,898,540	88,237	\$2,645,471	113,491	\$3,401,190	105,725	\$3,591,843

Table 9**WATER UTILITY MAJOR ACCOUNTS****Annual Revenues****Fiscal Years 1972/73 through 1976/77^①**

	1972/73	1973/74	1974/75	1975/76	1976/77
San Jose Water Works	\$3,811,727	\$3,603,589	\$4,173,481	\$4,829,692	\$5,253,523
City of Santa Clara	654,857	681,200	725,951	802,888	844,359
City of Sunnyvale	464,676	436,179	463,966	503,941	584,111
City of San Jose	97,197	109,428	229,646	270,239	287,744
City of Cupertino	133,192	132,810	152,446	167,057	183,272
California Water Service	505,978	538,420	562,102	613,603	610,777
Campbell Water Company	128,515	129,849	139,422	149,322	151,001
Total	<u>\$5,796,142</u>	<u>\$5,631,475</u>	<u>\$6,447,014</u>	<u>\$7,336,742</u>	<u>\$7,914,787</u>
Water Utilities Total Water					
Operating Revenues ^②	<u>\$7,003,800</u>	<u>\$6,814,269</u>	<u>\$7,659,673</u>	<u>\$8,617,395</u>	<u>\$9,238,092</u>

^① From District Records.^② Excerpted from District Annual Audit Reports.**Table 10****43 OTHER WATER UTILITY USERS****Surface and Groundwater Volume and Revenue****Fiscal Years 1972/73 through 1976/77**

	1972/73		1973/74		1974/75		1975/76		1976/77	
	Acre-Feet	Revenue	Acre-Feet	Revenue	Acre-Feet	Revenue	Acre-Feet	Revenue	Acre-Feet	Revenue
Surface Water	3,387	\$ 72,899	2,448	\$ 58,800	2,590	\$ 65,405	3,143	\$ 77,131	2,615	\$ 80,301
Groundwater	11,743	352,300	12,482	374,487	11,397	341,936	11,589	347,673	9,959	338,610
Total	15,130	\$425,199	14,930	\$433,287	13,987	\$407,341	14,732	\$424,804	12,574	\$418,911

Table 11**WATER UTILITY REVENUES AND GROUNDWATER****VOLUME OF FOUR PRINCIPAL ACCOUNTS****Fiscal Years 1972/73 through 1976/77**

	1972/73		1973/74		1974/75		1975/76		1976/77	
	Acre-Feet	Revenue	Acre-Feet	Revenue	Acre-Feet	Revenue	Acre-Feet	Revenue	Acre-Feet	Revenue
Great Oaks Water Co.	5,510	\$165,098	6,077	\$182,305	7,006	\$210,014	8,162	\$244,883	7,685	\$260,730
City of Mountain View	3,741	112,237	3,883	116,508	2,944	118,320	3,400	102,016	3,468	117,927
North Los Altos Water Co.	982	29,469	968	29,043	951	28,543	1,042	31,261	837	28,474
Stanford University ...	1,433	43,014	548	16,457	10	318	199	4,664	181	2,641
Total	11,666	\$349,818	11,476	\$344,313	11,911	\$357,195	12,803	\$382,824	12,171	\$409,772

The information in Table 12 has been summarized by the District from its financial records. A copy of the District's financial statement for the nine-month period ended April 7, 1978, along with the report of the Certified Public Accountant, is on file at the District Office of Finance and Administration.

The fiscal years ended in 1973 through 1976 have been adjusted to reflect capitalization and amortization of the capital cost component of the transportation charge on a basis consistent with 1977 and 1978 presentations.

Table 12
SANTA CLARA VALLEY WATER DISTRICT
Water Utility Enterprise
Summary of Revenues and Expenses

	Fiscal Year					Nine Months Ended April 7, 1978
	1972/73	1973/74	1974/75	1975/76	1976/77	
Operating Revenue						
Groundwater	\$ 4,273,191	\$ 3,998,061	\$ 3,766,162	\$ 4,577,007	\$ 4,807,511	\$2,990,638
Treated Water	2,630,828	2,729,772	3,801,547	3,925,785	4,322,947	3,123,835
Surface Water	99,781	86,436	91,964	114,603	107,634	75,793
Interest	828,393	874,444	1,078,976	861,791	778,038	616,971
Total Operating Revenue .	\$ 7,832,193	\$ 7,688,713	\$ 8,738,649	\$ 9,479,186	\$10,016,130	\$6,807,237
Operating Expense						
Administration	\$ 394,435	\$ 383,844	\$ 514,723	\$ 401,943	\$ 692,495	\$ 499,504
Planning	333,951	279,032	442,824	628,905	994,812	632,749
Maintenance	937,312	923,844	984,266	1,452,919	1,291,371	1,133,003
Operations	2,305,757	2,202,846	2,853,282	3,714,279	3,739,676	2,845,516
Total Operating Expense .	\$ 3,971,455	\$ 3,789,566	\$ 4,795,095	\$ 6,198,046	\$ 6,718,354	\$5,110,772
Net Operating Revenue .	\$ 3,860,738	\$ 3,899,147	\$ 3,943,554	\$ 3,281,140	\$ 3,297,776	\$1,696,465
Non-Operating Revenue						
Property Taxes	\$ 2,762,123	\$ 2,976,146	\$ 3,298,625	\$ 3,784,605	\$ 4,321,712	\$3,677,121
Rent and Other	71,903	57,981	49,272	30,178	45,650	24,044
Total Non-Operating Revenue	\$ 2,834,026	\$ 3,034,127	\$ 3,347,897	\$ 3,814,783	\$ 4,367,362	\$3,701,165
Non-Operating Expense						
General Obligation Bonds						
Interest Expense	\$ 1,791,044	\$ 1,521,357	\$ 1,936,621	\$ 1,897,345	\$ 1,829,194	\$1,360,478
Paying Agents Fees	6,508	7,957	7,400	6,248	8,487	6,249
In-County Credits	355,540	390,945	399,897	361,099	442,758	423,003
Depreciation	550,685	584,988	649,615	665,608	648,594	575,977
Charge for Capital Cost Component (Delta Water and Transportation)	1,526,934	1,598,212	1,764,468	1,753,457	1,629,680	1,183,163
Total Non-Operating Expense	\$ 4,230,711	\$ 4,103,459	\$ 4,758,001	\$ 4,683,757	\$ 4,558,713	\$3,548,870
Net Non-Operating Revenue	\$ (1,396,685)	\$ (1,069,332)	\$ (1,410,104)	\$ (868,974)	\$ (191,351)	\$ 152,295
Total Net Revenue	\$ 2,464,053	\$ 2,827,815	\$ 2,523,450	\$ 2,412,166	\$ 3,106,425	\$1,679,603

San Jose Water Works

The District's largest customer, San Jose Water Works, remits more than 52% of the Enterprise's total annual operating revenues.

San Jose Water Works is a public utility corporation which has its common stock listed on the American Stock Exchange. The company operates in accordance with the regulations of the California

Public Utilities Commission. Originally founded in 1866, it presently serves water to approximately 650,000 people represented by more than 185,000 customers living in a 130 square mile area of Metropolitan San Jose.

As presented in its 1977 Annual Report, the following table summarizes the company's financial and statistical position for the past five years.

Table 13

SAN JOSE WATER WORKS STATISTICAL REVIEW

	1977	1976	1975	1974	1973
BALANCE SHEET (in thousands)					
Investment in utility plant	\$123,840	\$118,352	\$113,174	\$107,716	\$102,461
Capitalization:					
Common stock equity	31,031	30,646	29,026	27,665	26,145
Preferred stock	6,657	6,792	4,332	4,382	4,432
First mortgage bonds (including current maturities)	36,010	33,630	35,250	35,991	32,515
Total capitalization	\$ 73,698	\$ 71,068	\$ 68,608	\$ 68,038	\$ 63,092
SUMMARY OF INCOME (in thousands)					
Operating revenues	\$ 23,932	\$ 25,645	\$ 21,817	\$ 21,316	\$ 20,747
Operating expenses:					
Operation and administration	12,089	11,707	9,263	8,481	7,953
Maintenance	1,274	1,256	1,102	1,078	1,038
Taxes	3,263	4,611	4,309	4,716	4,789
Depreciation and amortization	2,364	2,240	2,164	2,070	1,985
Total operating expenses	18,990	19,814	16,838	16,345	15,765
Operating income	4,942	5,831	4,979	4,971	4,982
Interest expense, other income and deductions	2,295	2,103	1,868	1,847	1,747
Income before gain on sales of property ..	2,647	3,728	3,111	3,124	3,235
Gain on sales of property	—	—	—	60	—
Net income	2,647	3,728	3,111	3,184	3,235
Dividends paid or accrued	2,262	2,069	1,751	1,664	1,539
Invested in the business	385	1,659	1,360	1,520	1,696
PER SHARE STATISTICS					
Per share of common stock:					
Net income	\$ 1.70	\$ 2.60	\$ 2.27	\$ 2.32	\$ 2.36
Dividends paid	\$ 1.40	\$ 1.30	\$ 1.20	\$ 1.13	\$ 1.03
Shareholders' equity	\$24.33	\$24.03	\$22.76	\$21.70	\$20.50
OTHER STATISTICS					
Customers at year end (including hydrants)	183,887	179,338	175,057	171,245	166,385
Average revenue per customer	\$131.68	\$144.73	\$126.12	\$126.50	\$127.13
Investment in utility plant per customer ...	\$ 673	\$ 660	\$ 646	\$ 629	\$ 616
Miles of main at year end	2,033	1,994	1,963	1,930	1,884
Water production (million gallons)	33,749	42,532	39,209	38,387	37,567
Maximum daily production (million gallons)	147	216	198	192	194
Population served (estimate)	650,000	635,000	620,000	600,000	575,000

Water Rates

It is the District's policy, in its pricing of water, to relate the cost of providing water more directly to the water user. Thus, the District's major sources of revenues are from charges received directly for water. These revenues, which presently amount to about 70 percent of total income of the District's Water Utility Enterprise, are:

Basic User Charge, which has two different rates based on use; an agricultural water rate, and a nonagricultural or municipal and industrial water rate. Revenue from this charge pays for the costs related to supply and distribution of water,

Treated Water Surcharge, which is a water charge in addition to the municipal and industrial rate of the basic user charge, and is paid by an agency that receives water from District water treatment facilities.

The current water rates are in effect until June 30, 1978. The Board of Directors recently instituted a new schedule of water rates which will become

effective on July 1, 1978.^① The following table reviews the current schedule and the new schedule.

SANTA CLARA VALLEY WATER DISTRICT Water Rates per Acre-Foot

	Current Rate	July 1, 1978 ^① Rate
Groundwater		
Agricultural	\$ 8.50	\$ 9.75
Non-Agricultural	34.00	39.00
Treated Water		
Contract	75.00	80.00
Non-Contract	48.00	53.00
Surface Water		
Agricultural	8.50	9.75
Non-Agricultural	34.00	39.00
Water Master	5.50	6.50
Evergreen Power	18.50	18.50
Minimum Charge	26.00	30.00
Zone W-3	5.50	6.50

**Table 14—SANTA CLARA VALLEY WATER DISTRICT
Water Utility Enterprise—Summary of Projected Revenues and Expenses**

	1978/79 ^①	1979/80	1980/81
Operating Revenue			
Groundwater Charges	\$ 4,416,000	\$ 5,149,000	\$ 5,713,000
Treated Water Charges	5,112,000	5,176,000	5,232,000
Surface Water Charges	161,000	164,000	166,000
Interest Earnings	945,000	1,207,000	909,000
Total Operating Revenue	\$10,634,000	\$11,696,000	\$12,020,000
Operating Expense			
Administration	\$ 1,655,000	\$ 1,750,000	\$ 1,931,000
Planning	1,264,000	1,149,000	704,000
Maintenance	1,800,000	1,865,000	2,103,000
Operations	4,508,000	4,635,000	4,870,000
Total Operating Expense	\$ 9,227,000	\$ 9,399,000	\$ 9,608,000
Net Operating Revenue	\$ 1,407,000	\$ 2,297,000	\$ 2,412,000
Non-Operating Revenue			
Property Taxes	\$ 5,400,000	\$ 6,000,000	\$ 6,600,000
Miscellaneous	175,000	180,000	184,000
Total Non-Operating Revenue	\$ 5,575,000	\$ 6,180,000	\$ 6,784,000
Non-Operating Expense			
General Obligation Bonds Debt Service	\$ 2,478,000	\$ 2,483,000	\$ 2,482,000
Depreciation, In-County Credit, Capital Cost Component	2,763,000	2,842,000	2,982,000
Total Non-Operating Expense	\$ 5,241,000	\$ 5,325,000	\$ 5,464,000
Net Non-Operating Revenue	\$ 334,000	\$ 855,000	\$ 1,320,000

^① On May 25, 1978, a petition for a writ of mandamus was filed in the Santa Clara County Superior Court, asking that the increased groundwater charge for Fiscal Year 1978/79 be set aside. A hearing on the petition has been calendared for June 30, 1978. If the relief requested in the petition is granted, it is possible that the projected revenues of the District for Fiscal Year 1978/79 may be reduced by up to \$782,000.

DISTRICT FINANCIAL DATA

Santa Clara Valley Water District uses the facilities of Santa Clara County for the assessment and collection of ad valorem property taxes for District purposes. District taxes are collected at the same time and on the same tax rolls as are county and school district taxes. Assessed valuations of properties are the same for both District and county taxing purposes. The California State Board of Equalization reports the 1977/78 Santa Clara County valuations to average 21.9 percent of full value except for public utility property, which is assessed at 25 percent of full cash value by the state.

The 1968 California State Legislature adopted two additional types of exemptions beginning in the tax year 1969/70. The first of these exempts a portion (currently 50 percent) of the assessed valuation of business inventories from taxation.

The second exemption provides a credit of \$1,750 of the assessed valuation of an owner-occupied dwelling for which application has been made to the county assessor. Revenue estimated to be lost to local taxing agencies due to such exemptions, however, is reimbursed from state sources. Such reimbursement is based upon total taxes due upon such exempt values and therefore is not reduced by any amount for estimated delinquencies. The following summary presents the District's 1977/78 assessed valuation before any deductions for these two exemptions, but does deduct the redevelopment tax allocation increment. The increase in assessed valuations since the base year of redevelopment projects within the District are not included in the District's assessed valuation for tax purposes inasmuch as the taxes upon such increment are pledged to the redevelopment area.

SANTA CLARA VALLEY WATER DISTRICT 1977/78 Assessed Valuation

Secured Roll	\$5,481,989,657
Unsecured Roll	786,839,945
Utility Roll	233,411,290
Total	\$6,502,240,892
Less: Tax Allocation Increment ..	119,086,958
Net Total Assessed Valuation	\$6,383,153,934

Tax Levies and Delinquencies

At the present time Santa Clara Valley Water District on behalf of the Water Utility Enterprise levies four different tax rates upon four designated zones within the District. The first of these levies is county-wide and is to help pay the capital cost of import facilities and the reservoir costs allocated to recreation.

The second levy in Zone W-4 is intended to pay the costs associated with future benefits to a specific zone, such as the replenishment of time overdrafted groundwater basin and excess capacity built into water facilities to serve future water needs.

The third levy in Zone W-3 is intended to pay for the costs of supplying and distributing water in this zone.

The fourth levy in an area designated the Central Santa Clara Valley Water Conservation District is for the purpose of meeting annual debt service costs.

In fiscal 1977/78, the following levies were made on behalf of the Water Utility Enterprise by the District in these zones:

	Tax Rate Per \$100 Assessed Valuation
Countywide	\$.070
W-3 (Land only)438
Central Santa Clara Valley Water Conservation District012
W-4018

The following tabulation presents a five-year summary of the District's secured tax levies and delinquencies:

Fiscal Year	District Secured Levy	Secured Tax Delinquent June 30	Percent Delinquent June 30
1972/73	\$2,727,553	\$ 60,573	2.22%
1973/74	2,935,007	81,442	2.77
1974/75	3,268,339	94,378	2.88
1975/76	3,726,079	98,410	2.64
1976/77	4,250,006	110,246	2.59

District Employee Retirement Program

The District's employees are members of the State of California Public Employees Retirement System and contributions of employees and the District are paid to this fund. The District contribution in the year 1976/77 was \$509,382.

This system was originally established in 1931. As of June 30, 1977, there were 556,759 members, of whom approximately 10% are classified as "safety" members (principally fire and police duties) and the balance are classified as "miscellaneous" members (management, administrative, staff, operational and clerical employees).

Approximately one-third of the members are state personnel and the balance are public agency personnel. As of June 30, 1977, the System provided retirement, death and survivor benefits under 980 contracts for about 1,900 public agency employers (cities, counties, school districts, and other public agencies) with 374,051 members. The System's funding is by employer and employee contributions together with investment income. Contributions fluctuate yearly depending on the number of members and their respective salary schedules.

Total assets of the System at June 30, 1976 were \$7,896,416,533, according to the annual audit. Of this amount, net assets of \$7,858,768,831 were available for benefits.

The annual contribution by employers for the 1975/76 fiscal year was \$598,526,949. The annual contribution by employees for the 1975/76 fiscal year was \$306,801,465.

The most recent actuarial valuation, performed by PERS, utilized census data as of June 30, 1976. The total unfunded obligation of the System was determined to be \$6,753,964,123. The method used was

entry age normal cost, which is a projected benefit cost method wherein level employer normal cost rates, considering present member contributions, are calculated at amounts sufficient to fund benefits over the entire service life of members.

Except for the pooling of certain public agency miscellaneous members, actuarial evaluations are performed for each participating employer, and the total accrued actuarial liability noted above is the sum of the individual employer accounts. A program for implementation of necessary contribution rate increases has been established, calling for a series of annual increases until appropriate employer rates are achieved on or before July 1, 1979.

The System's financial statements are prepared on an accrual basis of accounting and the System's auditor is Coopers and Lybrand, Sacramento, California. Citicorp Investment Management, Inc., San Francisco, provides investment advisory services. The System's actuarial activities are conducted internally on a continuous basis, with an experience analysis being conducted no less than every four years. This function is now the responsibility of Management Applied Programming, Inc., Los Angeles.

Direct and Estimated Overlapping Bonded Debt

The District has outstanding as of June 20, 1978, \$50,054,000 general obligation bonds of which \$38,290,000 are self-supporting from water charges.

Table 15 is a statement of direct and overlapping bonded debt as of June 20, 1978.

As of June 30, 1977 the State School Building Aid loans repayable within the District amounted to \$272,328,919.

The District's share of authorized unsold bonds is:

Santa Clara County	\$ 3,000
Santa Clara County Sanitation District No. 2	125,000
Berryessa Union School District	4,313,000
Other School and High School Districts	15,966,000
City of San Jose	4,490,000
City of Mountain View	1,748,000
City of Sunnyvale	850,000

Table 15

SANTA CLARA VALLEY WATER DISTRICT**Statement of Direct and Estimated Overlapping Bonded Debt^①**

Estimated Population (January 1, 1978)	1,222,800		
1977/78 Assessed Valuation	\$ 6,383,153,934 ^②		
Estimated Market Value	\$29,557,000,000 ^③		
	Percent Applicable	Debt Applicable June 20, 1978	
Santa Clara County and Building Authorities	100%	\$ 87,325,000	
Santa Clara Valley Water District, Zones NC-1, NW-1, W-1	100	50,054,000	
Community College Districts	Various	14,649,576	
San Jose Unified School District	100	44,345,000	
Other Unified School Districts	2.264-100	43,576,281	
East Side Union High School District	100	44,273,000	
Other High School Districts	Various	23,219,610	
Elementary School Districts	Various	63,782,649	
City of San Jose and City Authorities	100	63,879,000	
Other Cities and Authorities	100	84,776,500	
Other Special Districts	Various	17,686,786	
City of San Jose 1915 Act Bonds	100	22,700,565	
City of Santa Clara 1915 Act Bonds	100	32,816,809	
Other City and County 1915 Act Bonds	100	27,369,340	
TOTAL GROSS DIRECT AND OVERLAPPING BONDED DEBT		\$620,454,116	
Less: City and Special District Bonds, Revenue-Supported		32,875,138	
Santa Clara Valley Water District, Zone W-1			
(100% self-supporting from water charges)		38,290,000	
TOTAL NET DIRECT AND OVERLAPPING BONDED DEBT		\$549,288,978	
	Assessed Valuation	Ratio to: Estimated Market Value	Per Capita
Assessed Valuation	—	—	\$5,220
Gross Direct Debt	0.78%	0.17%	41
Net Direct Debt	0.18	0.04	10
Gross Direct and Overlapping Bonded Debt	9.72	2.10	507
Net Direct and Overlapping Debt	8.61	1.86	449

① Prepared in conjunction with California Municipal Statistics, Inc.

② After deduction of \$119,086,958 redevelopment tax allocation increment.

③ The State Board of Equalization reports that 1977/78 Santa Clara County assessed valuations average 21.9 percent of full value. Public utility property (\$233,411,290) is assessed at 25% of full value.

ECONOMY OF THE DISTRICT

Santa Clara County covers approximately 1,316 square miles (including 14 square miles of water) in the southern part of the San Francisco Bay Region. It is the fourth largest county in California in terms of population.

Santa Clara is one of nine counties bordering San Francisco Bay. It leads all of them in population, manufacturing employment, total effective buying income, assessed value of taxable property, retail sales, number of telephones, residential construction, and public school enrollment. It ranks among the top Bay Area counties in virtually every other indicator of economic activity as well.

San Jose, the county seat and largest city (January 1, 1978 population 587,700), is located about 50 miles southeast of San Francisco. Other cities are Sunnyvale (106,400), Santa Clara (84,600), Mountain View (56,000), Palo Alto (54,600), Milpitas (33,500), Saratoga (29,850), Los Altos (26,950), Campbell (25,300), Los Gatos (25,350), Cupertino (23,150), Gilroy (17,900), Morgan Hill (12,200), Los Altos Hills (7,425), and Monte Sereno (3,360).

The San Jose Metropolitan Area includes all of Santa Clara County. The city and county rank among the leading metropolitan areas throughout the nation in virtually all measurements of urban development. An important element in the growth of the area is the fact that over 60 percent of all households have net cash incomes exceeding \$15,000, highest of any metropolitan area in California. This reflects the prevailing level of education and vocational skills. In the essential economic determinants of population, employment, retail sales, and personal income, Santa Clara has been projected as the number one growth county through 1980 in Northern California by the Center for the Continuing Study of the California Economy (SRI International).

Santa Clara County, although it has many ties to the San Francisco-Oakland urban complex, has established a separate identity as a center for research, commerce, industry, and finance.

The climate of Santa Clara County is mild because of protection afforded by the Diablo Range on the east and the Santa Cruz mountains to the west. Mean July temperature is 68.2 degrees and mean January temperature is 49.2. Precipitation averages 13.1 inches per year.

County Government

Santa Clara County was incorporated February 18, 1850 as one of California's original counties, and utilizes the charter form of government. The governing body is a five-member Board of Supervisors who appoint a County Executive to administer day-to-day affairs. Supervisors are elected to represent specific geographic districts.

The County Government Center, situated at 70 West Hedding Street, San Jose, houses the principal county administrative offices and adjoins the San Jose Civic Center. The 1977/78 fiscal year budget totals \$435,064,796, providing for more than 10,000 budgeted positions.

Population

As of January 1, 1978, the county's population was estimated at 1,222,800 by the State Department of Finance. This was 14.8 percent greater than the 1970 U.S. Census count, compared with a statewide population gain of 10.6 percent during the same interval.

The county's population more than doubled during the decade of the fifties. The rate of population increase has consistently been greater than that of the State of California, as reflected in the following tabulation of Federal Census data since 1940.

Population Census Data

Year	County of Santa Clara	Percent Change	State of California	Percent Change
1940	174,949	—	6,907,387	—
1950	290,547	66.1 %	10,586,223	53.3 %
1960	642,315	121.1	15,717,204	48.5
1970	1,065,313	65.9	19,953,134	27.0

Source: U.S. Bureau of the Census.

Housing

The revised 1970 Census of Housing reported 336,873 housing units in Santa Clara County. Approximately 69 percent of all units were single-family houses and about 59 percent were owner-occupied. The 1970 median home value of \$27,300 and median rental of \$143 per month in Santa Clara County were the highest for any metropolitan area in California. Census data are presented below.

SANTA CLARA COUNTY

1970 U.S. Census of Housing

All housing units	336,873
Owner-occupied units	199,360
Number specifying value	181,177
Median value	\$27,300
Renter-occupied units	123,500
Median contract rent	\$143

In April 1975 the County Planning Department conducted a countywide Special Census. Total housing units of 414,754 were reported, of which 64 percent were single units and 56 percent were owner-occupied. There were 2.92 persons per household in the county, according to this survey.

Income

Santa Clara County ranks fourth among California counties in total personal income (after Los Angeles, Orange, and San Diego Counties), and fifth among the state's seventeen metropolitan areas. The U.S. Department of Commerce estimates the county's 1975 total personal income at \$8,274,903,000. More than 68 percent was composed of wages and salaries. Per capita personal income was \$7,022.

The 1977 *Survey of Buying Power*, published by Sales & Marketing Management, reports Santa Clara County in first place among Bay Area counties in net effective buying income, estimating the figure at \$8.244 billion for year-end 1976. This is \$6,813 per capita, compared with a statewide figure of \$6,062. Median household income of \$18,501 is sixth highest nationwide among metropolitan counties, and 12 percent above the median household income for the state. Over 27 percent of all households have incomes exceeding \$25,000, according to this national survey.

Employment

The San Jose Labor Market, as defined by the State Employment Development Department, embraces all of Santa Clara County. This area is a highly developed industrial, research, and educational center of employment for a labor force that ranks well above the average in educational attainment and income. According to 1970 Census data, more than 19.5 percent of the adult population in the county hold college degrees, and over 59 percent of the work force are classified as white collar workers.

Among the nine Bay Region counties, Santa Clara County ranks first in manufacturing, retail trade, and local government employment, second in construction and personal services, and third in wholesale trade, finance occupations, and federal and state government jobs. The average annual income of industrial employees is among the highest in California and stems primarily from the educational level and degree of skills required in the sophisticated electronics and computer industries.

There are 58 establishments in Santa Clara County employing 1,000 or more persons, and 127 which employ 500 or more. Following is the distribution of employers by number of employees as of the third quarter, 1977.

SANTA CLARA COUNTY

Employers by Number of Employees

Number of Employees ^①	Number of Employers
0-3	9,037
4-9	5,703
10-19	2,567
20-49	1,792
50-99	754
100-249	402
250-499	122
500-999	69
1,000 and Over	58
	20,504

① Total 511,892

Source: State Employment Development Department.

An accompanying tabulation presents labor force, employment, and unemployment data for the period 1975-78 in Santa Clara County. Between 1975 and 1977 the labor force increased 67,400 and is forecast to increase 32,100 in 1978. Similarly, employment grew 77,300 over the two-year period, and is projected to grow 35,900 this year. As a result, the rate

of unemployment has dropped from 9.5% in 1975 to a projected rate of 5.9% in 1978.

The distribution of wage and salary employment by major category for individual years is also shown in this tabulation. In 1977, 32 percent of all wage and salary workers were employed in manufacturing plants, over 21 percent were in services, 15 percent in government jobs, and a slightly smaller percentage in retail trade.

For the 1975-77 period, the fastest growing job category was manufacturing, with 18,500 additional employees. Services was next with 17,300 job additions, followed by retail trade (7,900) and government (7,500). Most of the new government employees were hired at the local government levels as an outgrowth of the federally funded CETA program.

Industrial firms in Santa Clara County employing 500 or more persons are listed on page 27. Non-manufacturing and governmental organizations employing more than 1,000 persons include the City of San Jose, Santa Clara County, Stanford University, the Stanford Medical Center, Pacific Gas and Electric Co., Pacific Telephone Co., San Jose State University, San Jose Unified School District, Cupertino Elementary School District, Palo Alto Unified School District, Ames Research Center (NASA) and the U.S. Naval Air Station at Moffett Field.

SANTA CLARA COUNTY

Civilian Labor Force, Employment, and Unemployment

Annual Averages, 1975-78

	Actual			1978 Forecast
	1975	1976	1977	
Civilian Labor Force	543,500	574,100	610,900	643,000
Employment	491,800	527,900	569,100	605,000
Unemployment	51,700	46,200	41,800	38,000
Unemployment Rate	9.5%	8.1%	6.8%	5.9%
Wage and Salary Employment:				
Agriculture	7,700	7,400	7,300	7,600
Mining	100	100	100	100
Construction	17,000	17,900	21,600	22,300
Manufacturing	153,800	164,700	172,300	183,900
Transportation, Utilities	17,900	18,100	18,400	19,000
Wholesale Trade	19,900	21,300	22,800	24,000
Retail Trade	71,400	76,100	79,300	83,900
Finance, Insurance, Real Estate	18,700	20,000	21,400	22,600
Services	97,300	106,100	114,600	121,800
Government	72,500	75,500	80,000	82,700
Total Wage and Salary Employment	476,300	507,200	537,800	567,900

Source: California Employment Development Department.

SANTA CLARA COUNTY

Industrial Firms Employing 500 or More Persons

Company	Product or Service
Over 2,000 Employees:	
Fairchild Camera & Instruments, Mountain View	Electronic products
Ford Aerospace & Communications Corp., Palo Alto	Aerospace R & D, Satellites
Ford Motor Company, Milpitas	Auto, truck assembly
FMC Corporation, San Jose	Food machinery
General Electric Company, San Jose	Nuclear power plants
Hewlett-Packard Co., Palo Alto	Measuring instruments and equipment
Information Storage Systems, Cupertino	Computers
IBM, San Jose	Data processing systems
Lockheed Missiles & Space Co., Sunnyvale	Missiles and space systems
Memorex Corp., Santa Clara	Magnetic tape
NASA, Ames Research Center, Sunnyvale	Scientific research
National Semiconductor Corp., Santa Clara	Electronic circuits
Pacific Telephone Co., San Jose	Utility
Signetics Corp., Sunnyvale	Electronic components
Stanford University, Stanford	University, basic research
Varian Associates, Palo Alto	Electronic equipment
Westinghouse Electric Corp., Sunnyvale	Marine specialty products
1,001-2,000 Employees:	
Amdahl Corp., Sunnyvale	Computer systems
American Micro Systems, Santa Clara	Electronic components
Atari, Inc., Sunnyvale and Santa Clara	Electronic video systems
ESL Incorporated, Sunnyvale	Electronic research and development
Intel, Santa Clara	Electronics
Northwest Publications, San Jose	Newspaper
Pacific Gas and Electric Co., San Jose	Utility
San Jose Mercury-News, San Jose	Newspaper publisher
Syntex Laboratories, Inc., Palo Alto	Pharmaceuticals
Watkins-Johnson Co., Palo Alto	Electronic components, accessories
Western Electric Co., Sunnyvale	Communications equipment
500-1,000 Employees:	
Advanced Micro Devices, Inc., Sunnyvale	Integrated circuits
American Bakeries, Inc., San Jose	Bakery
Arcata Graphics, Inc., San Jose	Printing
Barnes-Hind Pharmaceuticals, Sunnyvale	Pharmaceuticals
Beckman Instruments Inc., Palo Alto	Precision instruments
Beech Nut Inc., San Jose	Gum and candy
Burke Industries Inc., San Jose	Rubber products
California Cannery & Growers, San Jose	Canned fruits and vegetables
California Microwave Inc., Sunnyvale	Electronic equipment
Castle & Cooke Foods, San Jose	Food processing
Del Monte Corp., San Jose	Canned fruits and vegetables
Electronic Design & Development, Santa Clara	EDP software
Fairchild Systems Technology, San Jose	Computerized test equipment
Gilroy Foods, Inc., Gilroy	Dehydrated onions, garlic
Hewlett-Packard Co., Cupertino	Mini-computer system
Hewlett-Packard Co., Santa Clara	Laboratory instruments
Intersil Inc., Cupertino	Semiconductors
Itek Corporation, Sunnyvale	Electronic components
ITT-Jennings Div., San Jose	Electronic components
Libby, McNeil & Libby, Sunnyvale	Food processing
Litronix, Inc., Cupertino	Electronic semiconductors
Owens-Corning Fiberglas Corp., Cupertino	Fibreglass insulation
Plantronics, Inc., Santa Clara	Data and telecommunications equipment
Raytheon Co., Mountain View	Semiconductors
Siliconix, Inc., Santa Clara	Semiconductors
Spectra-Physics, Inc., Mountain View	Laser instruments
Sun Garden Packing Co., San Jose	Canned fruits
Teledyne Semiconductor, Mountain View	Microwave equipment
United Technologies, Sunnyvale	Chemical systems division
Vidar Corp. (TRW), Mountain View	Electronics

Sources: San Jose and Sunnyvale Chambers of Commerce, and direct contact by Stone & Youngberg MFC, Inc.

Industry

As already mentioned, manufacturing is the most important major industry group in Santa Clara County. There are approximately 2,000 manufacturing firms in the county. In 1976 county industrial firms paid \$2,515,754,006 in salaries and wages to 165,727 workers, according to employer withholding statements filed with the State Department of Employment Development. A summary of the most recent state report is presented on page 30.

Industrial plants in the county produce a wide range of products, from agricultural implements to sophisticated electronics equipment. In the most recent (1975) Annual Survey of Manufactures conducted by the U. S. Department of Commerce, Santa Clara County ranked third among California's metropolitan areas in the important industrial indicators of number of employees in manufacturing establishments, total industrial payrolls, and value added by manufacture. In the latter measure, Santa Clara County plants added a total manufacturing value of \$4,134.8 million to basic products, compared with \$4,982 million in the second-place San Francisco-Oakland Metropolitan Area.

Durable goods plants account for approximately 85 percent of all manufacturing employment in Santa

Clara County. Within this major category, the most important industries, based on employment and payrolls, are electric and electronic equipment, non-electrical machinery, transportation equipment (including space vehicles), and instruments.

Local electronics firms design and manufacture highly technical products such as test equipment, lasers, magnetic recording devices, microprocessors, medical instruments, semiconductor components, minicalculators, digital watches, and electronic games. Other important industries are business machines and specialized machinery for use in agriculture, construction, and metalworking.

Highly developed research facilities at Stanford University (Linear Accelerator), NASA's Ames Research Center, United Technology Center, and IBM's Research Division have fostered the formation of local companies and the development of products to enhance the area's technological capabilities.

There are over 350 firms in the electronic and electrical equipment field in the area, with employment ranging from one to over 5,000 employees. Larger firms in this category are Fairchild Camera and Instrument Corp., Signetics Corp., GTE Syl-
vania, General Electric Co., Ford Aerospace and

The International Business Machines Corporation facilities in San Jose.





The Lockheed Missiles and Space Company plant and the adjacent Moffett Field Naval Air Station.

Communications Corp. (formerly Philco Ford), Spectra Physics, Raytheon, Hewlett-Packard, Western Electric, ESL, Atari, Inc., and Varian Associates.

Prominent in aerospace and rocket propulsion are Lockheed Missiles and Space Co., United Technologies, FMC Corp. and Ford Aerospace and Communications Corp., which have combined employment of more than 23,000 persons.

Although electronics and aerospace dominate the local industrial economy, other industries show steady progress. Fabricated metal products, printing, and publishing, stone-clay-glass, chemicals, and rubber and plastic products are important contributors to the economic health of the area. The food processing industry still ranks among the leading sources of employment. However, employment in this industry has been declining as food plants relocate to the Central Valley and other areas in response to increasing urbanization.

In the specialty machinery group are International Business Machines Corporation, FMC Corporation (Airline Equipment Division, Ordnance Division, Ordnance Engineering Division, Engineered Systems Division, Central Engineering Laboratories and

Food Machinery International), Amdahl Corporation, and Westinghouse Electric Corporation (Marine Division). Leading firms in the professional, scientific, and controlling instruments category are Beckman Instruments, Spectra-Medical Systems, Hewlett-Packard, and Smith Kline Instruments, Inc.

Nationally-known firms which make up the general base of industry in the county include Ford Motor Company, Owens-Corning Fiberglas, Continental Can Corporation, Pittsburgh-Des Moines Steel, Owens-Illinois Incorporated, and San Jose Steel Company.

Some of the larger industrial firms in Santa Clara County are discussed more fully in the following paragraphs.

LOCKHEED MISSILES AND SPACE COMPANY. Lockheed employs approximately 19,000 at its Sunnyvale and Palo Alto facilities. Basically a missile and satellite manufacturing complex, the local Lockheed installation represents a diversity of research and production capability and is the most profitable of Lockheed's enterprises.

In recent years, the company's principal product developments at the local plants have been the Tri-

SANTA CLARA COUNTY

Manufacturing Employment and Payrolls 1976

Industry	Number of Employers	Number of Employees ^①	Annual Wages
Food Products	117	14,022	\$ 162,798,094
Wood Products	49	556	7,016,358
Furniture and Fixtures	46	570	5,620,142
Paper Products	26	1,733	25,175,072
Printing and Publishing	255	4,985	64,542,705
Chemicals	52	2,329	33,304,810
Rubber and Plastic Products	59	2,036	21,473,056
Stone, Clay, Glass Products	58	2,688	37,915,599
Primary Metal Industries	31	708	10,486,849
Fabricated Metal Products	199	4,070	50,755,969
Nonelectrical Machinery	445	31,915	530,081,737
Electric and Electronic Equipment	355	57,447	827,982,117
Transportation Equipment	41	24,043	454,566,136
Instruments	160	16,005	252,977,916
Other and Miscellaneous	94	2,620	31,057,446
Totals ^②	1,987	165,727	\$2,515,754,006

① Yearly average.

② All gainful employment except domestics and self-employed individuals.

Source: State Department of Employment Development.

dent and Poseidon submarine-launched ballistic missiles. Other programs at local Lockheed facilities have included the Polaris missile, the Agena space vehicle, an eight-wheeled combat assault vehicle, and a Deep Submergence and Search Vehicle.

Management officials of the parent company have pointed out that this division has not been affected by the widely-publicized troubles experienced by Lockheed elsewhere.

HEWLETT-PACKARD CO. Hewlett-Packard, employing 31,000 people in seven states and six foreign countries, is the second largest industrial employer in Santa Clara County. An estimated 10,000 local employees produce computers, calculators, and electric instruments at plants in Palo Alto, Cupertino, Mountain View, Sunnyvale, and Santa Clara. Other California plants are located at San Diego and Santa Rosa. A San Jose plant of the firm's Semi-Conductor Division is under construction within the Rincon de los Esteros Redevelopment project area, with completion expected in September 1978. Expected employment is 500 persons. Hewlett-Packard was established in Santa Clara County more than 25 years ago, and maintains world headquarters at Palo Alto.

IBM CORPORATION. IBM, the county's third largest industrial employer, carries out a variety of activities from fundamental research through production and installation of equipment. Total employment of the corporation in this area is estimated to be approximately 9,000 persons.

Largest of the company's local facilities is the complex located at Monterey and Cottle Roads in southeastern San Jose. The 500-acre site is the scene of research, education, systems development, testing and manufacturing. There are 20 buildings with over a million square feet of space. One of IBM's General Products Division facilities is also located here. Magnetic disk storage units for computers are a main product. The San Jose Laboratory of the General Products Division conceives and develops tomorrow's IBM systems. Activities include not only advanced development technology, components, and systems, but market analysis and product planning. The Research Laboratory carries out research in chemistry, physics, engineering, and the data processing field. The Product Testing Laboratory tests and evaluates new products before shipping to customers. These tests range from those of

electrical and mechanical changes to small components, up to a complete data processing system. Also on the site is an Education Center operated by IBM's Data Processing Division. This facility is the center for educational programs attended by both IBM and customer personnel. IBM also occupies extensive warehousing and distribution space in the Rincon de los Esteros Redevelopment Project area of San Jose.

GENERAL ELECTRIC COMPANY plants and laboratories in Santa Clara County employ a total in excess of 5,700. Located in the City of San Jose are production facilities of Vertical Motor Products and the Nuclear Energy Division. The Breeder Reactor Operation and Space Systems Organization facilities are at Sunnyvale, the Time Sharing Computer Service is located in Palo Alto, and other manufacturing facilities are at Campbell.

FMC CORPORATION. Formerly Food Machinery and Chemical Corporation, FMC was founded in San Jose in 1883. The corporation's wide variety of products include machinery, chemicals, fibers, ord-

nance, personnel carriers, and packaging films which are supplied to almost every segment of industry, agriculture, and national defense.

Located in San Jose are some of the largest manufacturing and sales facilities for its various divisions, including the Food Machinery International, Airline Equipment and Ordnance divisions. In adjacent Santa Clara are the Engineered Systems and Motor Coach divisions. Total employment at local plants and laboratories is approximately 4,500.

FORD MOTOR COMPANY. Ford's San Jose Assembly Plant in the adjacent community of Milpitas produces compact cars and light trucks. Employment is approximately 3,200.

NASA, AMES RESEARCH CENTER. With 1,800 employees at its Mountain View facility, Ames ranks as one of the largest employers in the area. The Center carries on vital work in space and life science research and development. A large wind tunnel is available for testing of aircraft and spacecraft configurations. Ames also houses the USAF Satellite Test Center. The adjacent U.S. Naval Air Station at Moffett Field employs about 1,700 civilians.



Ford Motor Company.

Foreign Trade Zone

San Jose Foreign Trade Zone No. 18 is located in the 375-acre International Business Park near San Jose Municipal Airport. Foreign and domestic merchandise may be moved into the zone for storage, exhibition, repackaging, manufacture, or other processing without payment of Federal duties or excise taxes until the goods leave the zone. There is no time limit on storage of goods and components. Construction in the zone began in 1975 with two buildings totaling 132,000 square feet. Upon completion, it is estimated the Park will provide employment for 6,000.

Finance

The Federal Reserve Bank of San Francisco reports that bank debits in Santa Clara County for the first half of 1977 (most recent data available) totaled \$44,481,215,000, an increase of 30.5 percent over the same period of 1976. Bank deposits at June 30, 1977 amounted to \$1,302,112,000, up 17 percent over the equivalent date of the previous year.

Agriculture

Although population growth, industrialization and urbanization have caused a decline of agricultural

activities and farm employment in the county, farm production has remained surprisingly high. During the past four years the gross value of agricultural production has averaged nearly \$100 million annually. Nursery stock and cut flower production has

increased in recent years, offsetting the steady drop in production of fruits and nuts. The cultivation of vegetables has also shown considerable strength in recent years. A summary of agricultural values for Santa Clara County since 1974 is shown below.

SANTA CLARA COUNTY

Agricultural Production

Crop	1974	1975	1976	1977
Fruits, Nuts, Berries	\$21,286,600	\$ 18,995,500	\$15,569,800	\$ 14,642,680
Vegetables	26,379,800	30,818,700	27,718,800	36,048,900
Livestock, Poultry and Products	16,250,200	17,122,400	18,603,250	16,205,900
Field Crops, Apiary	3,092,100	4,411,500	2,796,100	2,345,800
Nursery Products	29,418,000	31,746,700	32,659,500	32,035,200
Totals	\$96,426,700	\$103,094,800	\$97,347,450	\$101,278,480
Number of Bearing Acres:				
Fruits, Nuts, Berries	23,265	20,756	15,922	15,130
Vegetables	14,583	15,617	15,250	14,925

Source: County Department of Agriculture.

Transportation

Two major railroads, a modern system of highways and freeways and a growing airport complex have contributed to the industrial, commercial and residential expansion of Santa Clara County. This highly developed transportation network provides ready access to national and international markets.

Southern Pacific and Western Pacific provide main line rail service to the area. Both railroads serve the east shore of San Francisco Bay, while Southern Pacific also provides freight and daily commuter service north on the Peninsula to San Francisco. Within San Jose, there are central switching yards with ramps for piggyback loading and cranes for handling of containerized freight.

U.S. 101 and Interstate 280 serve Santa Clara County from the north, providing a link with San Francisco. Interstate 680 and State Route 17 connect the county with East Bay points. All four of these principal highways intersect in downtown San Jose, forming an efficient freeway grid serving the entire county. Connecting these main highways are State Routes 82, 85, and 237, various county roads, and a well-developed system of expressways.

Approximately 65 interstate trucking firms and over 400 local and regional contract carriers serve the county. Motor passenger and parcel service are made available by Greyhound Bus Lines and Peerless Stages with overnight deliveries to all major cities in California. Local bus transportation is scheduled by Santa Clara County Transit District, which connects with the Bay Area Rapid Transit District in the East Bay, and with bus and Southern Pacific commuter service on the San Francisco Peninsula.

Deepwater transportation is available at the Port of Redwood City, 25 miles north. Ports at San Francisco and Oakland are well-equipped to handle all types of coastal and overseas cargo. All three ports are conveniently accessible by freeway from San Jose.

San Jose Municipal Airport is one of three major airports in the San Francisco Bay Area, and ranks among the nation's busiest. The airport serves the most heavily traveled air corridor in the world, the Southern California/Bay Area Corridor. Over two million passengers use the terminal annually. Airlines serving San Jose include PSA, Hughes Airwest, Continental, Western, American, United, TWA, Delta, National, Air California, and Swift Aire. California Air Commuter provides daily service to San Francisco and Northern California points.

Construction

Santa Clara County has consistently ranked among the top California counties in building permit valuation. In 1977 the county was fourth in total building valuation, sixth in residential valuation, and fourth in non-residential valuation in the state.

Total 1977 Santa Clara County building permit valuation of \$899,071,000 included new industrial valuation of \$155,444,000. This was the third highest industrial valuation among California counties, after Los Angeles and Orange Counties.

During the five years 1973-77, inclusive, building permits aggregating \$3,142,409,000 in value were issued by various jurisdictions in the county. Of this dollar total, 58 percent consisted of residential construction, and 29 percent consisted of new commer-

cial and industrial structures. This is shown in the following tabulation.

Residential permits during the above period covered 55,882 new housing units. Over 65 percent of this total represented single family homes. In 1977, the average single unit permit was valued at \$45,374, exclusive of land, while the average new multiple unit was valued at \$21,539. Comparable statewide figures for last year were \$42,715 and \$22,794, respectively.

Building permit valuation in the county for the first quarter of 1978 totaled \$171,473,000, with residential valuation amounting to \$77,438,000. Three-fourths of the 1,597 dwelling units in residential permits were single-family houses. The City of San Jose accounted for over 40 percent of total countywide permit valuation in the first quarter.

SANTA CLARA COUNTY

Value of Building Permits

(Dollars in Thousands)

	1973	1974	1975	1976	1977
Residential Valuation:					
New Units	\$260,908	\$236,569	\$243,027	\$463,171	\$479,750
Alterations and additions	13,505	19,702	26,879	34,277	44,972
Subtotal	\$274,413	\$256,271	\$269,906	\$497,448	\$524,722
Non-residential Valuation:					
New commercial	\$ 88,263	\$ 91,372	\$ 69,047	\$ 63,259	\$109,266
New industrial	82,970	82,634	78,271	86,883	155,444
Alterations and additions	21,009	22,580	26,210	30,740	34,860
Other	32,995	47,198	54,682	67,187	74,779
Subtotal	\$225,237	\$243,784	\$228,210	\$248,069	\$374,349
Total Valuations	\$499,650	\$500,055	\$498,116	\$745,517	\$899,071
Number of new dwelling units:					
Single-family	7,405	5,823	5,700	9,318	8,446
Multi-family	5,449	3,173	2,254	3,833	4,481
Total units	12,854	8,996	7,954	13,151	12,927

Source: County Planning Department, City Building Departments and *California Construction Trends*, Security Pacific National Bank.



Eastridge Shopping Center.

Commerce

There are approximately 150 shopping centers in Santa Clara County. The largest is Eastridge, a retail shopping complex opened in 1971 in eastern San Jose. It has four major department stores, 160 retail and service establishments, 27 restaurants, and an indoor skating arena. In the western part of the city is Westgate, serving the Campbell-Saratoga area. Oakridge Mall, still under development, is located in the rapidly growing southern sector of San Jose, near the IBM complex.

Serving northern Santa Clara County is Stanford Shopping Center at Palo Alto, with Bullock's, Macy's, The Emporium, and Saks Fifth Avenue as major

tenants. Sunnyvale Plaza Shopping Center, scheduled to open in the fall of 1979, will be anchored by Macy's, Montgomery Ward, and Robinson's department stores when completed.

Taxable transactions in Santa Clara County in 1977 exceeded \$5.7 billion, more than 21 percent higher than 1976. Between 1973 and 1977 the number of outlets reporting retail sales increased over 23 percent, to a total of 9,939. However, the number of non-retail establishments grew even faster, registering a gain of 42 percent for the period. This reflects the rapidly developing industrial, commercial, and professional segments of the local economy. Taxable transactions in the county for the past five years are summarized in the following tabulation.

SANTA CLARA COUNTY

Taxable Transactions

(\$'000 omitted)

Year	Retail Stores		All Outlets	
	Permits	Transactions	Permits	Transactions
1973	8,044	\$2,395,870	22,985	\$3,378,642
1974	8,224	2,603,072	24,257	3,781,550
1975	8,600	2,841,644	26,292	4,061,592
1976	9,135	3,272,793	28,342	4,716,474
1977	9,939	3,903,867	31,145	5,729,657

Source: State Board of Equalization.

San Jose Redevelopment

More than \$350 million in new and committed developments have transformed the City of San Jose's central business district in the past decade. The catalyst for this transformation was Park Center Financial Plaza. Located here are the regional headquarters for seven national banks and a number of nationally prominent firms. Rounding out this development will be added commercial office space and restaurant facilities. San Jose Plaza is the core area's most recently completed office tower complex, consisting of two adjacent 13- and 14-story structures and an 850-space garage.

Paseo de San Antonio and San Antonio Plaza represent a \$155 million investment in redevelopment of the area between Park Center Plaza on the west and the burgeoning campus of San Jose State University to the east. Paseo de San Antonio, now complete, will serve a variety of retail and commercial needs. San Antonio Plaza will have a 750-unit apartment complex, aboveground parking for 1,200 cars, retail space, two office towers, and a high rise hotel.

Utility Services

Electrical and gas service throughout the county is provided by Pacific Gas & Electric Co. Pacific Telephone Co. serves most of the county, with Western California Telephone Co. serving the Morgan Hill and Los Gatos areas. Water service is generally provided by private companies.

Community Facilities

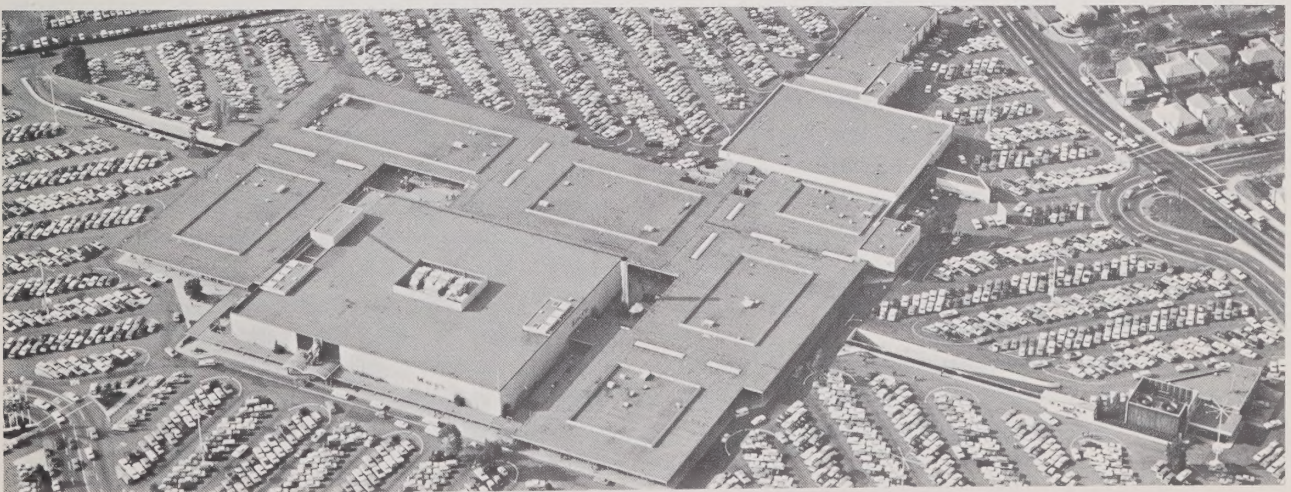
There are 12 general hospitals in Santa Clara County, with an aggregate capacity of more than 3,800 beds. The largest are Stanford University Hospital at Palo Alto (618 beds), the county-operated Santa Clara Valley Medical Center in San Jose (595 beds), and El Camino Hospital in Mountain View (464 beds). In addition to the general hospitals, there is a Veterans' Administration Hospital in Palo Alto.

Four daily newspapers are published in the county: the Palo Alto Times, San Jose Mercury, San Jose News, and San Jose Post-Record. There are eight weekly newspapers and four bi-weekly newspapers in various communities. San Francisco and Oakland periodicals are available in the county on a daily basis. In San Jose are eight radio stations and three TV stations, including a Public Broadcasting System outlet.

The County Library System serves unincorporated areas and the incorporated cities of Los Altos, Los Altos Hills, Cupertino, Saratoga, Campbell, Monte Sereno, Milpitas, Morgan Hill, and Gilroy. The cities of Los Gatos, Mountain View, Palo Alto, San Jose, Santa Clara, and Sunnyvale maintain municipal libraries.

One of the oldest established symphony orchestras in the nation, the San Jose Symphony, traces its roots back over a century. It has been accorded national recognition as a Metropolitan Orchestra by the American Symphony Orchestra League. Also adding to the cultural life of the county is the San Jose Museum of Art.

Valley Fair Shopping Center.



The San Jose Center for the Performing Arts forms the hub of a growing cultural development program in that city. The modernistic structure, seating 2,700 people, is considered one of the finest theatres in the country. Flint Center, located on the campus of De Anza College at Cupertino, hosts concerts by leading orchestras. Stanford University at Palo Alto presents performances by the world's foremost artists.

The San Jose Convention Center, located near the Performing Arts Center, seats a total of 7,600 and has 292 exhibit booths. The recently completed exhibit hall has substantially increased the capacity of the facility for conventions.

Municipal Stadium in San Jose, occupying a 23-acre downtown site, features the San Jose Missions baseball team. Spartan Stadium, seating 18,300 for San Jose State University games and for the San Jose Earthquakes soccer team, brings intercollegiate and professional sports to the area. Stanford Stadium at Palo Alto seats 90,000 for major college sports, and has been the scene of U.S.-U.S.S.R. track meets.

Education

The high quality of public education in Santa Clara County reflects widespread interest in this subject and the large number of degree holders living in the area. The county is served by 22 elementary school districts (total enrollment 122,641), five high school districts (enrollment 58,150), and six unified districts (enrollment 92,534). The latter offer instruction from kindergarten through the twelfth grade. Largest public school systems in the county are the San Jose Unified School District, the East Side Union High School District of San Jose, and the Santa Clara Unified School District.

A report by the County Planning Department covering the years 1966-76 indicates that enrollment in the elementary grades (K-8) peaked at 202,303 in 1971, and declined steadily to 192,678 in 1976. Enrollment in parochial elementary schools reached 12,288 in 1967, dropping to 8,206 in 1976. Enrollment in public high schools rose steadily throughout the period, reaching 84,049 in 1976. Enrollment in parochial high schools reached 4,954 in 1969, and declined thereafter.

Four community college districts in the county administer seven campuses with a combined enrollment of more than 48,000 day students and nearly

29,000 evening students. These two-year institutions are: De Anza College, Cupertino; Foothill College, Los Altos Hills; Gavilan College, Gilroy; San Jose City College, San Jose; Evergreen Valley College, San Jose; West Valley College, Saratoga; and Mission College, Santa Clara. The latter is presently under construction at a site north of U.S. 101.

San Jose State University, enrolling over 15,000 full-time students, has the third highest enrollment of the 19 institutions in the California State University and College System. Situated on 64 acres in downtown San Jose, it is the state's oldest public supported institution, having opened its doors in 1857.

Santa Clara County is also the home of the oldest institution of higher education in the West, the University of Santa Clara, which traces its founding to 1851. Another prestigious seat of learning, Stanford University, dates from 1885. Located within a 50-mile radius of the county are the University of California at Berkeley, University of California at Santa Cruz, St. Mary's College, Mills College, the University of San Francisco, and the San Francisco and Hayward campuses of the State University and College System.

Recreation

The county maintains various park and recreational facilities, including the Villa Montalvo Arboretum in Saratoga, Palo Alto Yacht Harbor, Alviso Marina, and the Santa Clara County Fairgrounds in San Jose. There are two state parks in the county.

Visitor attractions in Santa Clara County include the Winchester Mystery House, Frontier Village, and Rosicrucian Egyptian Museum and Planetarium, all in San Jose, and the 65-acre Marriott's Great America, a family amusement center in Santa Clara. Lick Observatory on Mount Hamilton attracts many visitors. There are 23 18-hole golf courses and 13 9-hole courses in the county.

Sailing and power boat enthusiasts make use of the many marinas and docking facilities in San Francisco Bay and the resorts along the Pacific shoreline. Those who enjoy hiking or camping find outlets in the Santa Cruz Mountains, southwest of San Jose. The beaches at Santa Cruz and adjacent areas are less than an hour's drive from the county. Deep-sea fishing parties are scheduled regularly year-round from Santa Cruz and Half Moon Bay.

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